

# INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

No. 30,750

PARIS, WEDNESDAY, DECEMBER 30, 1981

Established 1887

## Reagan, Citing Poland, Orders Sanctions Against Moscow

**LOS ANGELES** — President Reagan, moving to punish the Soviet Union for martial law in Poland, Tuesday blocked the sale of equipment for a pipeline that would carry natural gas from Siberia to Western Europe.

The action was one of seven sanctions Mr. Reagan imposed to demonstrate to the Soviet Union "the seriousness of our concern."

After reviewing recommendations by a high-level task force, Mr. Reagan also ordered a halt of exports of high technology to the Soviet Union.

In a statement issued at a press center in Los Angeles and at the State Department in Washington, Mr. Reagan said he was taking these steps:

- Requirement of licenses for the export of an expanded list of oil and gas equipment to the Soviet Union and suspension of all such licenses for a wide range of material including pipelines.
- Suspension of the issuance or renewal of export licenses to the Soviet Union for computers, electronics and other high-technology items.
- Suspension of all service to the United States of the Soviet airline Aeroflot.
- Closure of the Soviet Purchasing Commission.
- Postponement of negotiations on a new long-term grain agreement.
- Suspension of negotiations on a new U.S.-Soviet maritime agreement and announcement that he will put into effect "a new regime of port-access controls" for all Soviet ships when the current agreement expires on Dec. 31.
- Non-renewal of U.S.-Soviet exchange agreements, including those on energy, science and technology, and a complete review of all other U.S.-Soviet exchange agreements, to begin immediately.

In Washington, officials estimated that the

sanctions would affect a maximum of \$500 million in U.S.-Soviet trade. They said that last year the Russians purchased \$100 million worth of high-technology equipment from the United States and about \$200 million in oil and gas equipment through government licenses.

But the decision to ban export of natural gas pipeline equipment to the Soviet Union will be virtually meaningless unless he can convince Western allies to go along, U.S. analysts said.

U.S. experts said that the Russians were counting on very little technology from the United States to build that pipeline or any of the other projects on the drawing boards to expand natural gas delivery systems dramatically. They said that all of the technology can be obtained from other countries.

In his statement, Mr. Reagan repeated his assertion that the Soviet Union bears "a heavy and direct responsibility for the repression in Poland."

He said that the Russians brought major pressures to bear over a period of many months on the Polish leadership and now "openly endorsed the suppression which has ensued."

The president said that in his letter last week to Soviet President Leonid I. Brezhnev, he warned that if repression in Poland continued, "the United States would have no choice but to take further concrete political and economic measures affecting our relationship."

He said that the United States continues to desire a constructive and mutually beneficial relationship with the Soviet Union and intends to continue "a high-level dialogue."

"But we are prepared to proceed in whatever direction the Soviet Union decides upon towards greater mutual restraint and cooperation, or further down a harsh and less rewarding path," he said.

He said the United States will watch events

in Poland closely and is prepared to take further steps if necessary.

"American decisions will be determined by Soviet actions," Mr. Reagan said.

Mr. Reagan, spending a week's holiday in California, announced the decisions a day after receiving recommendations from the administration's Special Situation Group.

The State Department dismissed as "absurd" statements by Polish authorities that Western economic sanctions would prolong the military crackdown in that country.

"These sanctions were applied as the result of ruthless suppression of human and civil rights in Poland by the military council," said a deputy State Department spokesman, Alan Romberg.

Although Mr. Reagan's aides have said he would consult with the Western allies about any steps taken in connection with the developments in Poland, those announced could be pursued without allied cooperation.

At the top of the list was a break in the sale of the equipment intended for the planned 2,400-mile (3,850-kilometer) Soviet pipeline to carry natural gas from Northwest Siberia.

One official said that among the companies affected would be Caterpillar Tractor Co. of Peoria, Ill., although another official said the recent approval of an export license permitting the company to ship 200 pieces of construction machinery would not be affected.

The House Republican leader, Robert Michel of Illinois, told reporters in Peoria that the Caterpillar deal had totaled \$80 million.

Under the export license granted on Dec. 9, the equipment was not supposed to be used for the trans-Siberian line.

The administration has expressed concern over heavy Western European involvement in financing the construction and providing pipe for the line, which would supply gas to West Germany, France, Austria, the Netherlands, Belgium and Italy.

## U.S. Economists Fear Prospects of Spiraling Deficits, Interest Rates

By Edward Cowan  
New York Times Service

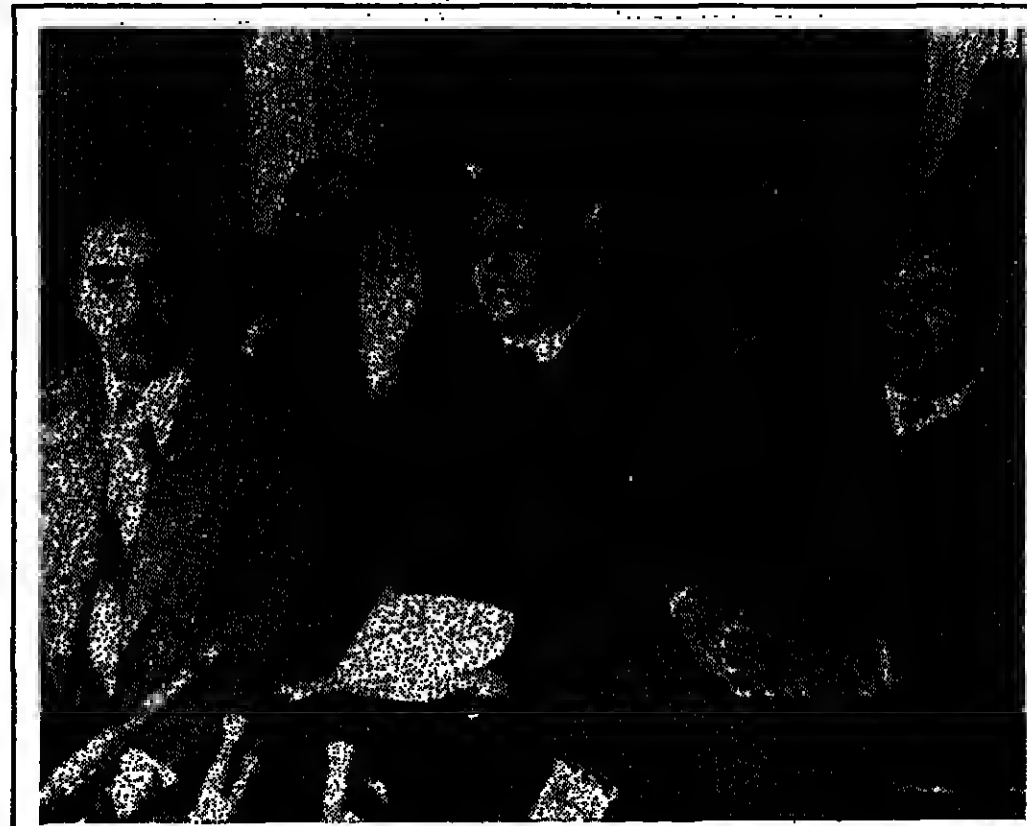
**WASHINGTON** — Congressional staff estimates of rapidly rising U.S. budget deficits point to the possibility that deficits of more than \$100 billion a year and interest rates will chase each other higher and higher in the next several years.

Preliminary calculations by the Congressional Budget Office show spending increasing by about \$90 billion a year to more than \$1 trillion in fiscal 1986 and the deficit approaching \$300 billion that year. These figures are acknowledged to be on the high side. But even after revision, congressional analysts

Financial experts elsewhere in government said total interest payments could rise from 13 percent to 16 percent of the budget by 1985.

The rapid rise of spending and deficits in the congressional preliminary projections has intensified speculation that before 1982 is over there will be a push from Congress and from within a divided Reagan administration for an easier Federal Reserve policy that permits faster growth of the money supply.

Advocates of the supply-side tax cut such as Rep. Jack F. Kemp, Republican of New York, are already worried that the Fed's policy for steadily slower growth of money could choke the economy.



**CAIRO PROTEST** — The lawyers for 24 fundamentalists charged with the assassination of President Anwar Sadat withdrew from the case Tuesday, accusing the military court of rejecting their demands, including a refusal to admit several defense witnesses. Page 2.

### NEWS ANALYSIS

said, they are much above administration figures and are arguably more realistic.

The implications of the congressional figures are twofold and are troubling to economists in and out of government. Among them are the following:

- A pattern of rising deficits instead of the declining trend that President Reagan is expected to project in his budget for fiscal year 1983, which starts next Oct. 1. The president is to send the budget to Congress on Feb. 1.
- An increase in interest rates, brought on by the borrowing necessary to finance big deficits. High borrowing costs could hobble the economic growth the administration is counting on to validate its insistence on not modifying the three-year tax cut enacted in August.
- The emergence of a move in Congress to delay or whittle down the 10-percent tax cut scheduled for July 1, 1983, the third of the three across-the-board rate cuts authorized by the August tax act. Such a move, already talked about privately on Capitol Hill, might also try to repeal the provision of the 1981 act that indexes the income tax after 1984 so that wage inflation will not lift taxpayers into higher brackets.

**Further Implications**

In addition, there are implications that go beyond fiscal policy. Interest payments account for a rising share of the U.S. budget, generating increased opposition to the president's planned increases in military spending.

"Interest is growing faster than spending as a whole," a Congressional Budget Office analyst confirmed. He declined to give figures.

The initial congressional projections showed spending rising from \$735 billion in fiscal 1982, which ends Sept. 30, to more than \$1 trillion in fiscal 1986, and the deficit rising from \$110 billion to almost \$300 billion.

### Cost of Borrowing

The congressional figures are higher than those of the Office of Management and Budget for every year after 1982. The Congressional Budget Office also estimated larger interest payments on the national debt because it carried forward the larger deficits it predicted would start in 1983.

Extra U.S. borrowing tends to drive up market rates of interest. That, in turn, raises the cost of the hundreds of billions of dollars of refinancing of maturing debt that the Treasury does every year.

"The deficit affects the deficit," said Alan Greenspan, the New York economist and White House adviser who is also a member of the Congressional Budget Office panel of advisers.

A man who attended the presentation of the congressional figures to the outside advisers on Dec. 16 reported, "Greenspan looked at these figures and almost had a heart attack."

"The story may be apocryphal but it doesn't do violence to reality," Mr. Greenspan said. "We're getting to the point where unless we rein in the forces of deficit expansion, they could proceed in a geometric fashion."

Overall, the Congressional Budget Office projects spending rising at 9 percent to 10 percent a year; the economy, in terms of gross national product, expanding by 10 percent to 11 percent a year; and U.S. revenues increasing by 6 percent to 7 percent a year.

## U.S. Allies, Watching Jaruzelski, Withhold Action Against Moscow

**BRUSSELS** — The NATO allies are not ready to follow President Reagan's hard line toward Moscow over Poland until a final judgment on the motives and intentions of the Polish leader, Gen. Wojciech Jaruzelski, can be made, diplomatic sources said Tuesday.

The North Atlantic Council is meeting Wednesday at the ambassadorial level to continue an assessment of the significance of military rule in Warsaw. But the sources said there was no possibility that the 15-member alliance would take concrete steps on joint sanctions against Poland or the Soviet Union at this stage.

## Schmidt Reported to Tell Moscow, Warsaw of His Concern

**BONN** — Chancellor Helmut Schmidt has written letters to Leonid I. Brezhnev, the Soviet leader, and to Gen. Wojciech Jaruzelski, the Polish Communist Party leader and head of the military government, expressing concern about the situation in Poland, West German sources disclosed Tuesday.

The sources said Mr. Schmidt told Mr.

Jaruzelski that the military government must give some clear signal that the reform course in Poland would not be broken.

In his letter to Mr. Brezhnev, a source said, Mr. Schmidt reminded him of remarks the West German had made concerning Poland during the Soviet leader's visit here last month. Those remarks, it was understood, involved Mr. Schmidt's publicly stated opinion that So-

viet intervention in Poland would fundamentally change the face of the world.

Mr. Schmidt is vacationing at Sanibel Island, Fla.

The source also said that Mieczyslaw Rakowski, deputy premier in Poland's last civilian government, would visit Bonn on Wednesday for talks with Foreign Minister Hans-Dietrich Genscher.

state statements into concrete action.

The sources said Britain seemed more sympathetic to Washington's views but did not want to be out of step with other Western European countries.

### Food Stoppages Opposed

**ATHENS (AP)** — Mr. Chrysos said Tuesday that although France deplored the imposition of martial law and the withdrawal of civil liberties in Poland, it did not agree with the halting of food supplies to that country.

"France is opposed to using food as a weapon," Mr. Chrysos said. He added that he welcomed an EEC decision to dispatch 8 million tons of meat to Poland.

Mr. Chrysos was speaking at a news conference at the end of a two-day visit to Greece.

Greek Foreign Minister Ioannis Haralambopoulos said the two sides agreed on many questions, and that on those they did not agree completely, they "achieved rapprochement."

Mr. Haralambopoulos said he had briefed Mr. Chrysos on Greece's position on its continued membership in NATO, which has been placed in doubt by Athens' new Socialist government.

## Premenstrual Tension Defense Prompts Debate After Acquittals in Britain, Some Fear Syndrome Could 'Excuse' Crime

**LONDON** — Last month, two women walked free from British criminal courts after having killed or threatened to kill. They were released after pleading that premenstrual tension had made them act out of character.

The cases, the first in Britain in which the syndrome, known as PMT, has been successfully cited in defense against such serious charges, have prompted heated debate among doctors, lawyers and feminists.

However, common physical symptoms of the condition include swelling of the abdomen and a general feeling of bloatedness, breast discomfort, headaches and skin disorders and pain similar to period pain. Mental symptoms, which also appear two to 14 days before the onset of the period, include tension, irritability, depression, lethargy and clumsiness.

Most experts agree that while about 40 percent of all women between the ages of 14 and 50 who are not taking oral contraceptives experience some of these ailments, the condition is so severe among 10 percent to 12 percent that it seriously affects their lives, causing them, for example, to seek regular treatment or to take time off from work.

### Reduced Charge

On Nov. 9, Sandie Smith, a 29-year-old barmaid from East London, was put on probation for three years for threatening to kill a police officer and for carrying a knife. Miss Smith, who had nearly 30 previous convictions for such offenses as arson and assault, was already on probation for having stabbed to death another barmaid last year. According to her defense, all incidents had coincided with her premenstrual phases, which rendered her "a raging animal each month" unless she was treated with the hormone drug progesterone.

On Nov. 10, Christine English, 37, was conditionally discharged for 12 months by a court in Norwich after successfully pleading guilty to manslaughter by reason of diminished responsibility. The charge had been reduced from murder.

Mrs. English had driven her car into her lover after an argument in December, 1980. At the time of the offense, her lawyer argued in court, she was experiencing "an extremely aggravated form of premenstrual physical condition," from which a medical witness said she had suffered since 1966. The judge was satisfied that she had committed the offense under "wholly exceptional circumstances."

A crucial defense witness at both trials was Dr. Katharina Dalton, a consultant who pioneered research into premenstrual tension in Britain 35 years ago. Dr. Dalton, who had been treating Miss Smith for her illness, argued in court that while some women might become seriously mentally disturbed before their periods, progesterone treatment almost invariably prevented the symptoms.

Experts agree that premenstrual tension and its treatment need much more research. While Dr. Dalton argues that it is "clearly a hormonal disease whose symptoms no doctor would mistake," others are less certain.

Dr. Clare, who studied more than 500 women to determine the relationship between their premenstrual condition and their psychological health, is troubled by the recent court verdicts. "It is doubtful that PMT is causing aggressive behavior," he said.

But some feminists welcome the verdicts, while hopeful that the syndrome will not be misused as a defense. Sandra Stindman, a spokesman for the Fawcett Society, which campaigns for women's rights, expressed hope that the court decisions would encourage further research into the problem.

### INSIDE

#### Chinese Hero

As China pursues reunification with Taiwan, Chiang Kai-shek has become a hero again on the mainland in a campaign that seems directed at the sons of the Nationalist Chinese leader. Page 5.

#### Weary Labor

Britain's weary Labor Party has struggled to the end of what some of its members regard as the worst year in its 80-year history, with its leaders attacking each other instead of their political opponent. Its prospects for 1982 seem anything but bright. An analysis, Page 2.

#### Sticking It Out

David Stockman, having survived the initial storm over his remarks about the Reagan economic program, is working to restore his authority and credibility. Page 3.

#### Losing Savings

Bleak analyses of the outlook for U.S. savings and loan banking have raised questions about the adequacy of the federal rescue program. Page 7.

## Assad Seeks to Mediate Between Iraq and Iran

**BEIRUT** — Syria has announced that President Hafez al-Assad is to initiate contacts with the government in Tehran in an apparent effort to end the 15-month war between Iran and Iraq and conserve Arab and Islamic energies for confronting Israel.

The announcement was made Monday night by the news agency SANA, only hours after Mr. Assad had returned home from a week's tour of Saudi Arabia, the Arab states overlooking the Gulf, and North Yemen and Southern Yemen. The prime objective of the trip was to rally Arab ranks around a common strategy against Israel following its annexation of the Syrian Golan Heights.

SANA did not give details beyond saying that the proposed consultations between Damascus and Tehran will cover developments in the Middle East region.

But Damascus radio said Tuesday that time had come to end the war between Iran and Iraq "in the interest of conserving Arab and Islamic energies to counter Israel's expansionist designs."

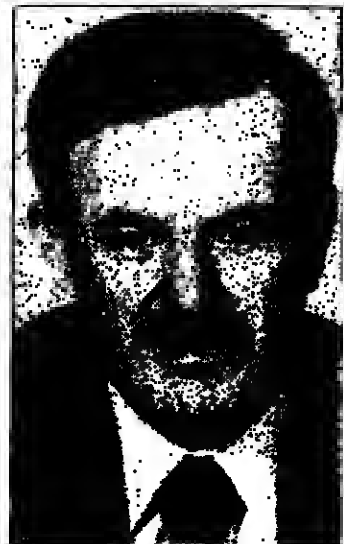
Syria has maintained a good relationship with the regime of Ayatollah Ruhollah Khomeini, and had blamed Iraq for provoking the war in September, 1980. The accusations worsened an already wide rift between Damascus and Baghdad, which are ruled by rival factions of the Ba'ath Socialist Party.

Arab diplomats were pointed out that Syria's own relations with Iraq needed to be improved before Mr. Assad could mediate in the Gulf war.

Reports in Kuwait newspapers Sunday said Crown Prince Fahd of Saudi Arabia had obtained Mr. Assad's approval for efforts to be made by the Saudi government to end the strain not only between Syria and Iraq, but also between Syria and Jordan. Syrian charges that Jordan was helping Moslem fundamentalists in their violent campaign against the Assad government brought the two Arab neighbors to the brink of a border war a year ago.

Mr. Assad's trip to the Gulf states coincided with an intensification of battles between Iraqi and Iranian forces, and fears by the conservative governments in the region of what they call the threat of the Khomeini revolution.

Saudi Arabia and Bahrain have signed a mutual security pact, and the state of Qatar has announced plans to conclude a similar accord with the Saudis. The rush by these



Hafez al-Assad

small states in seek protection behind Saudi Arabia followed the reported discovery in Bahrain last week of a group of saboteurs who were accused of plotting to overthrow Bahrain's government and spread instability in the entire Gulf region.

The government in Manama, the capital of Bahrain, claimed the men were trained in Iran. Another consequence of the events was an escalation of a war of words by the

(Continued on Page 2, Col. 4)



# For Ailing British Labor Party, 1981 Was a Year to Forget

By William Borders  
New York Times Service

LONDON — Britain's weary Labor Party has struggled to the end of what some of its members regard as the worst year in its 80-year history. And its prospects for 1982 seem anything but bright.

Stricken by internal wrangling between left and right, and losing members in a steady erosion to the new centrist alliance that has reordered British politics, Labor finds little time or energy to play the traditional opposition role of fighting the government.

Despite the vulnerability of Prime Minister Margaret Thatcher's Conservative government at a time of recession and high unemployment, Labor Party leaders have lately been much more inclined to battle one another than to attack her.

**Poll Shows Slip**

"We ought to be fighting against Maggie Thatcher's repressive policies," Michael Foot, the party leader, said just before Christmas, reiterating a plea he has been making all year with little success.

In the latest Gallup Poll, published a week ago in

The Daily Telegraph, Labor's support had slipped to 23 percent of the electorate, and the Conservative strength was at the same level. The centrist alliance of Social Democrats and Liberals, which did not exist a year ago, had the backing of 50 percent of those polled.

Last week the Labor Party lost its 25th member of

those who supported his rival, Denis Healey, in a close deputy leadership contest last September had since joined the Social Democrats.

**Reflection of Disarray**

Told of Mr. Benn's claim, Mr. Foot said somewhat uncertainly, "He's talking through his hat, isn't he?" But whether or not Mr. Benn presses the claim, it was a reflection of the disarray within the party.

In a test of strength in the party's national executive committee 10 days ago, Mr. Foot won a crucial ballot by just one vote. The committee voted 15-14 to refuse endorsement to Peter Tatchell, a 29-year-old radical running for Parliament as a Labor candidate in south London in one of many constituencies around the country in which the far left has taken control of the local Labor Party.

Mr. Foot opposed Mr. Tatchell because of an article the candidate had written in which he advocated "more militant forms of extraparlimentary opposition which challenge the government's right to rule."

The party leader, calling that kind of language "unacceptable for the Labor Party," demanded that

Mr. Tatchell be repudiated by the national party. But the narrowness of his victory robbed it of much of its value, and party insiders say that neither the fight over Mr. Tatchell nor the larger ideological battle it represents is over.

The Guardian, a paper with a history of sympathy toward the party, looked at it this way in an editorial last week: "The choice before Labor is clear. Either it settles for being a narrow, committed ideological party, taking perhaps 20 percent of the vote election by election, but never very much more — which is what Benn is offering — or it seeks to recreate, even at the expense of compromise, a broader, left-of-center coalition which carries with it some prospect of power."

On the Conservative side, Mrs. Thatcher remains unpopular. In the latest Gallup Poll 70 percent said they were dissatisfied with her performance. But lately there have been some economic signals that the recession might be ending, and the prime minister, in a year-end message to her party, said that 1982 had all the signs of being a year "of great opportunity for Britain, if only we have the courage and determination to succeed."

## Soviet Official Assails 'Interference' by U.S.

**United Press International**

MOSCOW — Soviet Foreign Minister Andrei A. Gromyko told U.S. Ambassador Arthur A. Hartman on Tuesday that the United States should keep out of Polish affairs, according to Tass.

"Andrei Gromyko emphasized that the measures taken by the Polish leadership to normalize and stabilize the situation in the country are a matter for the Poles themselves and alone," Tass said.

Tass said Mr. Hartman raised the question of Poland and was told "the U.S. government should put an end to interference in the internal affairs of a sovereign state — the Polish People's Republic — which has been continuing in various forms, overt and covert, for a long time now."

**Meeting Confirmed**

The U.S. Embassy confirmed the meeting took place, but a spokesman said there would be no immediate comment.

The government's Novosti press agency, meanwhile, said President Reagan's sanctions against the Polish government would prove unsuccessful because of lack of support from other countries.

"The new American embargo is designed to aggravate the situation in that country, especially in the field of food supplies, and force the Polish government to act in accordance with Washington's scenario," said Vladimir Yulin, a commentator.

Tass made the same point Monday, saying also that the United States is quick to speak out on Poland, but keeps silent about labor troubles in countries such as South Africa and Turkey.

With the imposition of martial law in Poland, Tass said Monday, President Reagan has imposed economic sanctions, forbidden Polish fishing in U.S. waters and



**POLISH WITNESS** — Poland's former ambassador to Japan, Zdzislaw Ruraz, sat with wife, Janina, center, and daughter, Ewa, before appearing at a Washington hearing. Mr. Ruraz, who defected to the United States last week, said that Poland, under pressure from Moscow, had been preparing for martial law since last March. He called on the United States to cut off all commercial contracts with the Polish and Soviet governments, saying of Moscow: "Feed this system with your grains and one day you yourselves will be bitter."

## Socialist International Condemns Military Rule, Jailings in Poland

By Richard Eder  
New York Times Service

PARIS — The Socialist International, representing many of the world's democratic socialist parties, Tuesday condemned the military takeover in Poland.

After a meeting here, the presidium of the Socialist International issued a declaration that overrode a previous and much milder statement made by the group's president, former West German Chancellor Willy Brandt.

The Socialist International condemns the seizure of power by the military in Poland and the brutal repression of civil rights that followed," the statement said. It went on to demand "that all those imprisoned and detained be set free immediately, that the Solidarity union be allowed to work freely, and that repression and martial law be ended."

Tuesday's meeting included leaders of representatives of 15 Socialist parties, most of them European. It did not so much heal as declare a split that developed on Dec. 18, when Mr. Brandt, the leader of West Germany's Social Democrats, expressed the group's concern over Poland but stressed mainly the hope that what has happened there would not affect détente.

That statement was immediately criticized by the French Socialist Party, which has taken a lead in stiffening the response both of its own government and of other Socialist parties. Mr. Brandt's words, issued on his own, were also assailed by the Swedish and Italian Socialists.

**Warning on Interference**

In an indirect reference to the Soviet Union, the statement warned against outside interference. The democratic evolution in Poland had aroused great hopes for the world as a whole, it said, adding, "We cannot accept that this popular movement should be crushed by force."

French Prime Minister Pierre Mauroy has said that food aid to Poland will not be halted, but that

## Walesa Held In Warsaw, Regime Says

(Continued from Page 1)

In Gdansk during two days of fighting there in the first week after martial law was declared on Dec. 13.

The other victims announced by the authorities were seven miners killed during the breaking of an occupation strike at the Wujek mine near Katowice on Dec. 16. He specifically denied any other deaths during strikes that broke out immediately after the declaration of martial law.

Gen. Szecilo added that internees continued to be released, and that among the 580 already freed were a number of intellectuals who were detained in the first hours of martial law. He denied that internees were kept in "concentration camps" and said they were being held in humane conditions in "internment centers" around the country.

Independent reports from released internees confirm that while their first nights were sometimes spent in unheated facilities, they were quickly moved to more adequate facilities.

[Warsaw radio said 12 leaders of the occupation of the Fiat pit near the Silesian mining and industrial center of Katowice had been arrested on the military prosecutor's orders less than a day after the strike ended, Reuters reported.]

The authorities said that the miners, who numbered about 900 when the occupation ended, had been held against their will by a small group of "strong-arm men from Solidarity." Miners who were forced to strike by "terrorists" would not be punished, the authorities said.

[A correspondent for Reuters reported in a censored dispatch from Warsaw that new regulations had been announced for the sale of consumer goods in 1982. The dispatch said that such items as color television sets, refrigerators and some furniture would be available only to customers who had paid three years in advance.]

[The regulations, published in the Communist Party newspaper Trybuna Ludu, said that shoes, clothes and other essentials would be sold directly to workers at their factories.]

Gen. Szecilo conceded that during the past few months the Communist Party for many reasons lost authority and lost credibility, and that its leading role "became weaker."

Both men repeated government assurances that the intention of the military council was to stabilize the situation in Poland so that what has been called the country's "renewal" begun in August, 1980, could go ahead. Gen. Szecilo specifically said that the so-called "social agreements," which among other things recognized the right of workers to organize free trade unions, "will be fully legal after the calling off of martial law."

Mr. Urban conceded that Polish industry was still working at well below the efficiency it recorded before the martial-law decree and further below its potential. But he said that the reasons include "purely economic difficulties" relating to shortages of raw materials and fuel as well as the strikes that interrupted production during the first two weeks of martial law.

## WORLD NEWS BRIEFS

### Heavy Rain Eases Shortage in Spain

MADRID — The authorities in Seville relaxed water rationing Tuesday after heavy rain appeared to have ended Spain's worst drought of the century. Water will be available nine hours a day in Seville instead of seven hours as during recent months.

Rain and snow fell on most of Spain during the Christmas holidays and official forecasters predicted that more would fall during the next few days.

Officials said the sowing season had been saved in southern and western Spain, but they estimated that three weeks of rainfall would be needed for a total recovery of crops.

### China Seeks Arms Sale Explanation

PEKING — China reiterated on Tuesday its opposition to all U.S. arms sales to Taiwan and said it is seeking clarification of a sale of military spare parts there.

The reaction, from a Foreign Ministry spokesman, followed disclosure in Washington that more than \$25 million worth of replacement spare parts for military equipment was to be sold by the United States to Taiwan.

"We are firmly opposed to the United States' selling weapons to Taiwan," the Chinese spokesman said. "This position of ours is consistent and clear-cut. We are in the process of seeking clarification from the U.S. government with regard to the sale of spare parts to Taiwan."

### Percy Discusses Golan With Begin

JERUSALEM — U.S. Sen. Charles Percy met Prime Minister Menachem Begin on Tuesday and said their discussion of Israel's annexation of the Golan Heights and other "misunderstandings" signaled a "new spirit, new beginnings" in U.S.-Israeli relations.

Sen. Percy, an Illinois Republican who is chairman of the Senate Foreign Relations Committee, met Mr. Begin after a tour of Israeli towns along the Lebanese frontier. He refused to visit the occupied West Bank or the Golan Heights.

Regarding the Golan annexation, Sen. Percy said, "I frankly expressed myself on that issue" but he refused to go any further. The senator has been critical of the annexation and of Israeli bombing raids against Palestine Liberation Organization targets in Beirut several months ago.

### Sinai Settlers Refuse to End Protests

YAMIT, Israeli-occupied Sinai — Israeli settlers agreed Tuesday to consider a government plea for talks to settle a dispute over their evacuation from the Sinai, but they refused to end violent protests in which six buildings have been burned to the ground.

Agriculture Ministry officials and a settlers' committee did not reach agreement on compensation for businesses to be shut down by Israel's scheduled withdrawal from the Sinai Peninsula by April 26, a settler said.

Settlers said they would continue their violent protests against the government.

### Ban on Mandela's Wife Is Extended

JOHANNESBURG — Winnie Mandela, wife of South Africa's leading black nationalist, has been banned for an additional five years Tuesday, her lawyer said.

Mrs. Mandela, 45, wife of imprisoned African National Congress leader Nelson Mandela, was banned in December, 1976, after riots in Soweto, a black township outside of Johannesburg. Her lawyer said the new order requires Mrs. Mandela to remain in the small farming town of Brandfontein, 50 kilometers (30 miles) north of Bloemfontein, where she was sent in 1977.

Nelson Mandela was sentenced to life imprisonment on June 12, 1964, after being convicted of plotting the overthrow of South Africa's white minority government. He is imprisoned on Robben Island off Cape Town.

## Defense Lawyers Quit In Sadat Murder Trial

By David B. Ottaway  
Washington Post Service

CAIRO — The entire team of lawyers defending the 24 Muslim extremists on trial for the assassination of President Anwar Sadat resigned Tuesday because they said a military court refused to agree to any of their major demands.

The court in turn dismissed the lawyers after fining them \$60 each for violating military judicial procedures and said it would ask the bar association to appoint new ones.

Speaking on behalf of 35 lawyers, Abdel Halim Ramadan said at a news conference that the defense was resigning as a protest over "the suspension of its legal rights preventing it from carrying out its duty."

Chief among their complaints, Mr. Ramadan said, was the refusal of the three-member Egyptian military court to allow any of the witnesses they wanted to call on behalf of the defendants to appear before the tribunal.

**Immediate Effect**

He also decried the court's decision to close the proceedings to the public and the press and said that the defense was demanding a public trial as one of its conditions for returning.

"The defense team regards these conditions as negating the rule that the accused are innocent until proven guilty," Mr. Ramadan said. "We cannot do our good work in the darkness of this atmosphere of the trial."

The immediate effect of the mass resignation was to postpone the trial at least until Jan. 5, but the long-term consequences could be much more serious, depending on whether the court can quickly find other lawyers to take their place.

In any case, government hopes for a speedy and quiet trial of the four directly involved in Sadat's killing during a military parade Oct. 6, and of 20 other alleged accomplices, appeared to be dashed by the latest turn of events.

Mr. Ramadan said that a delegation of lawyers went to the office of President Hosni Mubarak on Tuesday to explain why they had resigned and ask for a meeting with him to discuss their grievances. So far, they have received no reply, he said.

Mr. Ramadan asserted confidently that "no Egyptian lawyer at all" would agree now to take part in the trial because of the conditions being imposed upon the defense.

But other sources familiar with the Egyptian system of justice, notably the state-dominated bar association, said that it might still be possible for the government to find replacements.

Mr. Ramadan said that the defendants would reject any other lawyers appointed by the court. But under Egyptian law, a defendant only has the right to refuse a court-appointed lawyer twice and then must accept the person chosen to defend him or her in any case.

The main bone of contention between the defense and the military court has been the kind of witnesses the defense has asked to appear on behalf of the defendants. These have included top Egyptian officials, such as President Mubarak and Defense Minister Abdel Halim Abu Ghazala; the wife of the slain president, Jehan Sadat; and well-known political figures such as former Foreign Minister Ismail Fahmy.

Mr. Ramadan refused to say why the lawyers wanted Mrs. Sadat or any of the other requested witnesses to appear before the court, saying the nature of their defense was secret and could not be revealed now.

But earlier, another defense lawyer, Ragai Attia, said the defense wanted to turn the proceedings into a political trial of Sadat and his policies and intended to argue that there was reason for his assassination on religious and political grounds.

## Special Prosecutor Named to Probe Payoff Allegations Against Donovan

**The Associated Press**

WASHINGTON — A three-judge court Tuesday named Leon Silverman, a New York attorney and former Justice Department official, as special prosecutor to investigate whether Labor Secretary Raymond J. Donovan sanctioned illegal payoffs as a private businessman in 1977.

Mr. Silverman, appointed by a panel composed of three U.S. Court of Appeals judges, is the first special prosecutor to be named in the Reagan administration.

He will examine allegations that Mr. Donovan, while an executive of a New Jersey construction firm, was present when another officer of the company handed an envelope containing \$2,000 to the head of Local 29 of the Laborers International Union.

The charge came from Mario Montuoro, a former official of Local 29. Mr. Donovan at the time was executive vice president of the Schuylkill Construction Co. of Schuylkill, N.J.

Mr. Donovan last week denounced Mr. Montuoro as a "damnable and contemptible liar."

## INTERNATIONAL BUSINESS OPPORTUNITIES

### DRINK-LINK

BRITAIN'S NEW INTERNATIONAL DRINK GIFT SERVICE

Wishes to establish units world-wide to enable people to send gifts of drink to each other within their own country and world-wide as easily with drink as they now can with flowers.

We are currently operating through 1600 stores in the United Kingdom, sending gifts of famous brands such as: Johnnie Walker scotch whisky, Remy Martin cognac, Beehive gin, Courvoisier, Martell, Whyte & Mackay's scotch whisky, Moët & Chandon champagne, etc.

We now wish to negotiate with established companies in either retailing, finance, drinks distribution, catering, marketing or similar fields in the USA, Switzerland, Australia, South Africa, Germany, France, Italy, Canada, Sweden, Denmark, Holland, Belgium, the Far East, South America, etc., to discuss the establishment of units operating the Drink-Link system in these countries.

All enquiries to: The Chairman, DRINK-LINK SYSTEMS LTD., 36-40 York Way, London N1 9AB England. TEL: 01-278-7241 - 01-834-9090

**Opportunities using the Isle of Man**

Finch House Management Services Limited is a Manx Company offering for clients wishing to use a wide range of corporate management services the Isle of Man as a base for international business activities. As well as a highly professional administrative service we can offer specific legal, taxation, trust and banking advice.

For information please contact Lloyd Thompson, F.C.C.A., at FINCH HOUSE MANAGEMENT SERVICES LIMITED, 24 Finch Road, Douglas, Isle of Man. Telephone: (0624) 29621/4. Telex: 628336 Mansec.

## In The Hague, Painful Memories Block Ex-Nazis' Release

By James F. Smith  
The Associated Press

THE HAGUE — Four decades after they were put in prison for war crimes, talk of letting the "Breda Two" out of prison still provokes bitter emotions in the Netherlands.

More than 90 war criminals serving life terms in Dutch prisons have been shown mercy and released, most recently in 1966. But Ferdinand Hugo aus der Fuenten, 72, and Franz Fischer, 80, remain in Breda Jail, symbols for the Dutch of the atrocities of German occupation from 1940 to 1945.

They are among the last four Germans serving life sentences in Western Europe for war crimes. The others are Walter Reder, 72, held in an Italian jail for the reprisal executions of more than 1,800 civilians, and Rudolf Hess, 87, confined in Spandau Prison in West Berlin.

**Convicted**

Mr. aus der Fuenten was convicted of organizing the deportation of Dutch Jews to extermination camps. More than 100,000 were murdered. Mr. Fischer was convicted of overseeing the deportation of 13,000 to 15,000 Jews.

The two did not deny their actions but said they were acting on orders from their superiors.

But protests arose quickly in The Hague. The Labor Party declared that it opposed release. The Amsterdam daily Volkskrant summed up parliamentary sentiment: "Out of the question. Let us, in heaven's name, keep silent over this business."

Mr. aus der Fuenten and Mr. Fischer were among 152 persons in the Netherlands convicted of war crimes and sentenced to death in the years just after the war. Forty were executed and the rest had their sentences reduced to jail terms ranging up to life imprisonment.

In 1966, the government announced that Willy Lages, convicted for the deportation of 70,000 Amsterdam Jews, had been released because of poor health and was already in West Germany. The fait accompli caused a political storm.

It also spurred a debate that has flared occasionally since then on whether keeping the other men in prison served any purpose.

## Assad Seeking to Mediate in Iran-Iraq War

(Continued from Page 1)

Saudi media against Ayatollah Khomeini and his government.

Analysts said Mr. Assad requires undivided Arab attention and energies in his bid to force Israel to rescind the law that put the Golan Heights under its jurisdiction and administration. This is not possible with Saudi Arabia and the Gulf states preoccupied with a confrontation of their own with Iran. The analysts said that Syria is not expecting military help from these countries, they are known to have provided the finances for Syrian arms purchases from the Soviet Union.

Iraq's military support to Syria in the October, 1973, war was greatly helpful in withstanding an Israeli thrust toward Damascus. The analysts recalled that before Iraq rushed two armored divisions to the Syrian front, it had obtained a promise from the late Shah of Iran that he would not capitalize on the situation to attack Iraqi territory.

Arab diplomats said there is no guarantee that Mr. Assad will succeed in his Iranian endeavor where other mediators had failed. Tehran has made total Iraqi withdrawal from occupied Iranian territory a precondition for negotiations. Baghdad has expressed readiness to negotiate, but it refused to pull its forces from Iranian land before Tehran recognized Iraq's sovereignty over the entire Shatt-al-Arab waterway, which forms part of the border between the two countries.

Tehran has declared support for Syria over the Israeli action in the Golan Heights. Premier Mir Hossein Mousavi said last week in a statement quoted by the Iranian news agency that the only way to deal with the problem is for the Arabs and Muslims at large to join hands in the destruction of the state of Israel.

He also said that if the Saudis and other Arab governments were sincere, they ought to impose an oil embargo against the United States, which the Iranian premier described as the main benefactor of Israel.

Many Dutch resistance fighters have opposed release, arguing that the commutation of death sentences was sufficient mercy for men who committed indescribable crimes. Opponents say relenting would be a sign that the Dutch were wavering in the commitment never again to tolerate such atrocities. Others argue that the releases would gravely injure those who survived the mistreatment.

But a number of jurists argue that others had been released with the passing years and that those who remained were being held only as symbols. Some say that holding the men for political reasons rather than as punishment for their crimes violates the Constitution.

In 1972, Andries van Agt, who at the time was justice minister and who now is premier, told parliament he planned to release those still serving life terms for war crimes.

The country was engulfed in controversy. A camp survivor hurled a crutch from the parliamentary gallery onto the floor during a debate. Psychiatric clinics reported a sharp rise in the number of survivors seeking treatment for sleeplessness and other traumas, since named "concentration camp syndrome."

Although parliament did not block the release, Mr. van Agt backed off.

### Dutch Minister Sets Tour

THE HAGUE — Foreign Minister Max van der Stoep will play official visits to Nigeria, Ghana and Angola during a one-month tour starting on Jan. 6, Dutch Foreign Ministry said Tuesday.



## Negotiations Ruled Out in Dozier Case

Spadolini Says U.S. Backs Italian Stand

The Associated Press

ROME — Premier Giovanni Spadolini said Tuesday that Italy would not negotiate with the Red Brigades for the release of kidnapped Brig. Gen. James L. Dozier and that his firmness has the backing of the U.S. government.

Mr. Spadolini said that the kidnapping, the first of a non-Italian by the urban guerrilla group, shows that the Red Brigades are trying to gain international importance and want to transform their "armed movement" into an "armed party."

The Red Brigades, who abducted Gen. Dozier, a U.S. officer assigned to NATO's Southern European Command, from his home in the northern city of Verona on Dec. 17, have made no demands in exchange for his return. In earlier kidnappings they have demanded the release of jailed comrades and the closure of high-security prisons.

"I rule out the opening of any chapter on negotiations in matters which affect international and NATO security," Mr. Spadolini said at a news conference. "There is a perfect agreement between Italy and the United States regarding our stand of inflexible firmness."

The premier added: "We are certainly faced with a quantum leap in which the terrorists are trying to transform their armed movement into an armed party. The explicit attack on NATO, the connection with the attack in Germany against the U.S. European forces commander (Gen. Frederick J. Kroesen, in September) who miraculously escaped, demonstrates that in the new strategy of terrorism there is a prevailing international objective."

### Connections Sought

He said the West German Red Army Faction — implicated in numerous attacks on U.S. military installations in West Germany — has been mentioned in the Red Brigades' communiqués on Gen. Dozier and that investigators are looking for connections between the groups.

About 100 police officers, wearing bulletproof vests and assisted



Judith Dozier, the wife of the U.S. general kidnapped by the Red Brigades, on the balcony of their apartment in Verona.

by police dogs, searched houses and stopped cars in Ponte Alto, outside Trento, on Tuesday after receiving what was described as a tip that Gen. Dozier was being held there.

Judith Dozier, the wife of the general, identified the man in the



Giovanni Spadolini

picture as her husband and said it raised her hopes. NATO officials at Gen. Dozier's base in Verona said.

"The Red Brigades have ever given out a photo of a kidnapping victim when the hostage was dead," said a high-ranking police official who asked to remain anonymous. "Seeing what we have so far, I would say he is still alive."

### Investigating Documents

Police also were investigating a 188-page Red Brigades document found along with the photo in an attempt to determine which faction of factions of the group took part in the kidnapping.

Police say that the Red Brigades are divided into "columns" according to cities and regions. They are also divided into "militarists" and "propagandists" — sometimes dubbed hawks and doves by police — who differ on strategy and treatment of kidnapping victims. The militarists nearly always murder their victims. The propagandists sometimes murder their victims and sometimes release them, according to police.

On Dec. 22, police in Milan arrested three suspected members of the Red Brigades but said later there was no evidence linking them to the kidnapping.

## Stockman Fights to Regain Authority

By Robert G. Kaiser

Washington Post Service

WASHINGTON — The David Stockman sensation is now old news, and the Reagan administration's budget director would like to keep it that way.

Having survived the initial storm over his indiscreet remarks in The Atlantic magazine, Mr. Stockman is now immersed in the fiscal 1983 budget, working to restore both his credibility and his authority.

For a moment last month, Mr. Stockman's closest friends in Washington thought he was finished as the administration's chief budget cutter. But Mr. Stockman hung on, and seems destined now to remain in office at least until the spring — that is, until the fiscal 1983 budget has been presented in Congress.

Whether Mr. Stockman can ever regain the stature he enjoyed during the first 10 months of the administration is a subject of ceaseless speculation on Capitol Hill and inside the Office of Management and Budget.

### Position Improved

Mr. Stockman has improved his position markedly during the past month, according to sources in Congress and the administration.

He played the central role for the White House in congressional negotiations over the continuing resolution that will set the limits on government spending for most of this fiscal year — and key Republicans said he played it well.

Now Mr. Stockman is in charge of preparing a new budget — the first that will be entirely Mr. Reagan's, and also the one that will be at issue in the 1982 congressional elections. "He is the chief technician, the chief scorekeeper and the chief political analyst," according to an admiring administration official who is working with Mr. Stockman on the new budget. "He has regained the leadership in the budget process."

But other sources report that appeals from Cabinet members seeking to preserve programs Mr. Stockman wants to cut are "more vigorous because of Dave's weakness after the Atlantic article," as one of them put it. And although Mr. Stockman and his staff have been emphasizing the need for continued and painful austerity, the president and his political aides have simultaneously tried to reassure mayors, governors and moderate Republicans in Congress that the new budget will not be too harsh.

In the bargaining so far, Mr. Stockman has played the Scrooge bent on disciplining the spenders. Initially the budget director proposed harsh limits on most pro-

grams, but in the subsequent appeals process the Cabinet has reportedly won many concessions. This is the ritualistic trench warfare of the budget season. The administration avoided it in the unusual atmosphere of last winter, but a year later the budget-cutting crusade has slowed, and traditional patterns of behavior have reappeared.

### Unrealistic Estimates

With the Congressional Budget Office now reportedly preparing an economic forecast with a \$210-billion deficit for fiscal 1984, some of the opinions Mr. Stockman expressed in The Atlantic are looking better and better, according to the budget director's friends.

Since the article appeared, the administration has more candidly admitted that its optimistic deficit estimates were unrealistic. Now senior Republicans on Capitol Hill say it is important for the White House to produce an honest budget at this time or the administration's credibility will be wiped out.

"If he Stockmanizes the numbers again, he'll be in serious trouble," a senior Republican aide in the Senate observed last week. His use of that personalized verb suggests the credibility problem that Mr. Stockman now has on Capitol Hill.

But the budget director also has

strong support in Congress, some of it from people who were not supporters before the Atlantic flap.

For example, Sen. Mark O. Hatfield, Republican of Oregon, chairman of the Senate Appropriations Committee, is now firmly in his corner. According to a Hatfield aide, the senator has felt since the article appeared that Mr. Stockman "is being persecuted for being honest." Sen. Hatfield wants him to stay.

So does Rep. Jim Leach of Iowa, a leading Republican moderate who has not embraced the entire Reagan economic program. Rep. Leach has publicly urged the White House to keep Mr. Stockman on. "The longer he's kept there," Rep. Leach observed with satisfaction last week, "the harder it's going to be for the White House to shift gears."

### \$30 Billion in Budget Cuts

WASHINGTON (AP) — President Reagan has decided to seek more than \$30 billion in budget cuts for 1983, and his opposition to tax increases seems to be waning as his advisers press to keep the deficit under \$100 billion.

According to administration sources, the proposed cuts — which would affect numerous domestic programs that aid the poor

— will be submitted to Congress in early February.

Even if Congress were to approve all the new cuts, the projected deficit for 1983 would still be more than \$100 billion unless President Reagan proposes new tax measures or a cut in his military budget, according to the administration sources.

Both these options have the backing of Mr. Reagan's senior economic advisers, but the president has yet to go along.



David A. Stockman

## Reagan Plans Shake-Up of Parole Board

By Ronald J. Ostrow

Los Angeles Times Service

WASHINGTON — The Reagan administration, moving toward a harder line against violent criminals and against second-guessing by judges, has begun replacing the Democratic appointees on the U.S. Parole Commission.

The move, it was learned Monday, is a break with the past practice of replacing commissioners only when their six-year terms run out or they resigned.

However, Justice Department officials expect O.J. Keller Jr., the first of the six Democratic appointees on the nine-member commission slated to go, to bring suit challenging his removal.

Mr. Keller, who could not be reached for comment, was to have served until July, 1984. He has been told that the Justice Department recommended to President Reagan that he be replaced on Jan. 15, but allowed to remain two additional months as a consultant.

### Effecting Changes

"The present Parole Commission has a different philosophy than the Reagan administration," said Rudolph W. Giuliani, associate attorney general, who has general supervisory authority over the commission. "Part of the process of election is to have the president effect changes deep down" within government, he said.

Mr. Giuliani said the commission's guidelines, under which it decides whether to release prisoners on parole, "are heavily weighted against parole eligibility for white-collar offenders." He added, "Too often, they treat heroin and income-tax offenders as if they committed the same crime."

The decision to recommend replacement of the Democratic appointees was made on the strength of an opinion last August by the Justice Department's office of legal counsel that President Reagan has the power to do so under the Constitution and the statute establishing the commission.

Mr. Giuliani said the "most dramatic" example of the commission's second-guessing of sentences handed down by judges came in the recent case of former Gov. Marvin Mandel of Maryland.

The commission had refused to release Mr. Mandel the same time it did three co-defendants, meaning Mr. Mandel was faced with serving his full term while the others were freed. In this case, Mr. Giuliani noted, President Reagan commuted the sentence. Mr. Mandel is a Democrat.

Mr. Keller would be replaced on the commission by Benjamin Baer, who was recently confirmed by the Senate. Other Democratic appointees slated to be replaced when successors are found are Benjamin J. Malcom in Washington; Cecil C. McCall in Atlanta; Robert D. Vincent in Dallas; Audrey A. Kaslow in Burlingame, Calif.; and Richard T. Mulcrone in Kansas City, Mo.

## Farm Decline Halted in U.S., Report Asserts

United Press International

WASHINGTON — The number of farms in the United States rose this year for the first time since the Great Depression, ending a sharp decline in the number of farms during the past 45 years.

An Agriculture Department report released Monday said the number of farms rose 0.3 percent in 1981 to 2,436,000. The peak was 6.8 million farms in 1935, when the last increase was recorded.

The nationwide migration from farms to cities and suburbs pulled down farm numbers last year, while the remaining farms got bigger.

The low was 2,428,000 farms in 1980.

## White House Starts 'Issues Lunch'

By Lee Lescaze

Washington Post Service

LOS ANGELES — President Reagan and his senior advisers have instituted a weekly Monday "issues luncheon" to coordinate White House policy-making.

The Monday lunches were started about a month ago as a forum for discussions of the current status of policy issues, particularly those on which the president faces a decision during the week, according to participants.

The lunches help prepare Mr. Reagan each week, but they are not simply briefings for the president, one White House official said.

Although they are an opportunity for senior White House advisers to update Mr. Reagan on various issues, this official said, the sessions also enable him to outline his thinking on current issues.

The lunches are the only fixed time on the president's weekly schedule when the whole array of current issues is on the agenda before him.

The lunches are intended to include issues that need presidential attention in the near future, but they are not decision-making

meetings. Decisions are reached after meetings of the Cabinet or its subgroups called Cabinet councils.

In their assessments of the administration's first year, the president and his advisers have stressed that they are pleased with the way Cabinet government has worked.

The full Cabinet met 20 times this year, and Mr. Reagan said in a recent interview, "We are going to continue with that system of government." The president is fond of comparing the system to a corporate board of directors, the difference being that "we don't take a vote."

Mr. Reagan describes his Cabinet government system in these terms: "When I have heard enough to make a decision, I know that I have to make a decision."

### France Names Cuba Envoy

The Associated Press

PARIS — Pierre Decamps, 53, was named France's ambassador to Cuba on Tuesday, replacing Pierre-Henri Renard. Mr. Decamps had been ambassador to Dahomey. He headed French aid missions in Cameroon from 1972 to 1976 and in the Malagasy Republic from 1976 to 1978.

The Monday lunches, however, are an attempt to organize better the president's approach to issues at the start of each week and to make sure that various senior White House advisers know the range of issues confronting Mr. Reagan.

The lunches are attended by Vice President Bush and Mr. Reagan's three top advisers — Edwin Meese Jr., the presidential counselor; James A. Baker Jr., the chief of staff; and Michael K. Deaver, the deputy chief of staff.

Other regular participants are presidential assistants Richard G. Darman and Craig L. Fuller; the White House communications director, David R. Gergen; the domestic policy adviser, Martin Anderson; and the acting national security adviser, Adm. James W. Nance.

There was no issues lunch Monday because the president is vacationing in California. He traveled by helicopter Monday morning from Los Angeles to his ranch in the mountains above Santa Barbara for a day outdoors before returning to his Los Angeles hotel suite for dinner with his wife and other family members.

## Exodus of Soviet Mathematicians Eases a Teacher Shortage in U.S.

Fred M. Hechinger

New York Times Service

NEW YORK — The Soviet Union, in an unintentional program of aid to the United States, has been adding to the American supply of top-level mathematicians.

In the last 10 years, more than 40 distinguished Soviet mathematicians have emigrated to the United States and are teaching at leading universities here. Most of them are victims of official anti-Semitism, which is reported to be particularly prevalent in the Soviet mathematics establishment.

These facts were reported last week by Dr. Nathan S. Nathanson, dean of the graduate school of Rutgers University in Newark, N.J. In 1973, Dr. Nathanson, who has written on Soviet dissidents and translated Russian mathematics-related essays, became the first American mathematician to spend a year at Moscow State University under auspices of the International Research and Exchange Board.

He compares the Soviet mathematical "brain drain" to the exodus of scientists from Nazi Germany, he said, France and Israel are major beneficiaries of the Soviet exodus.

### 'Something of a Mystery'

Why the Russians, who are known to put great stress on mathematics teaching, have let so many leading mathematicians leave is "something of a mystery," Dr. Nathanson said.

Also, he said, "they don't seem to put any great value on people who just work in the general field of mathematics." It would be much more difficult, he said, for computer scientists and engineers to emigrate. Mathematicians are less likely to have been employed by enterprises "that worry the So-

viets with their obsession about security."

By Soviet standards, many who emigrate have held insignificant jobs, Dr. Nathanson said. He termed it incongruous that the Russians spend so much energy in getting young people to study mathematics and yet do relatively little to place them in important work.

The influx of Soviet mathematicians into the United States, Dr. Nathanson said, comes at an opportune time. The supply of mathematicians with doctorates is in serious decline. Only 350 Ph.D.s in pure mathematics were awarded last year. While even good mathematicians were unable to find jobs in the mid-1970s, he noted, a serious shortage of mathematicians has now made it difficult for many small colleges to find mathematics teachers.

Soviet mathematicians who have moved into important positions here include David Kazhdan at Harvard; Victor Kac at the Massachusetts Institute of Technology; Boris Moishezon, and Gregory Chudnovsky at Columbia; Boris

Weisfelder and Leonid Vaserstein at Pennsylvania State University; Igor Dolgachev at the University of Michigan; Mikhail Gromov at the State University of New York at Stony Brook; Eugene Dynkin at Cornell; and Ilya Piatetski-Shapiro at Yale.

### Too Narrowly Trained

Dr. Nathanson believes that many American mathematicians are too narrowly trained in pure mathematics and that the broader experience of the Soviet emigrants in both pure and applied mathematics makes them a particularly valuable resource.

For the moment, he feels, the Soviet Union may not suffer too much from this brain drain. In the short run, he says, "You don't need a great many mathematicians, but in the long run, progress may be retarded."

Dr. Nathanson recalls weekly mathematics seminars in Moscow attended by young mathematicians "who didn't have the right stamp in their passports to be allowed to work in the capital." He compared them to the underground artistic community. Many were very good mathematicians, he said, but they had no standing within the official mathematics community. Those, he said, are people who try to emigrate and, if they come to the United States, whisk through the Ph.D. requirements and get jobs.

Until recently, Dr. Nathanson concluded, he judged the United States and the Soviet Union about equal in the quality of high-level mathematics. At present, he said, the United States is probably "a bit stronger." Since a considerable percentage of the Soviet Union's mathematicians have been Jewish, he said, the policy of impeding their study and employment has begun to hurt that country's mathematical strain.

## Iranian Baha'i Leaders Reportedly Executed

Reuters

TORONTO — Five leaders of the Baha'i faith in Iran have been executed and three more are believed dead, according to the group's Canadian office.

All eight, members of the religion's Iranian national spiritual assembly, were arrested about two weeks ago, Douglas Martin, secretary of the Baha'i national assembly in Canada, said Monday. The accusation followed charges that the Islamic fundamentalist government is seeking to eliminate Iran's 400,000 Baha'is.

## Ban on Kerchiefs Angers Moslems in Turkey

By Marvin Howe

New York Times Service

ANKARA — Turkey's military rulers, in a move to curb the revival of Islamic fundamentalism, have imposed a ban on the wearing of head kerchiefs by female students and teachers in schools.

The result has been a conflict between Turkey's military rulers, who seized power in September, 1980, and traditionalists in this largely Moslem nation of 45 million.

The move Dec. 7 was not nearly so dramatic as the ban on the veil and the fez by Kemal Ataturk in the mid-1920s, but it was in the same spirit.

Leftists have generally approved the ban as a logical step in efforts to turn Turkey into a modern, secular nation. Conservatives have been openly critical of what they describe as an action against the Koran.

### Supporters Are Uneasy

Supporters of the junta and its goal of restoring order said they were uneasy with the ban because it came at a time when the regime was facing criticism from many directions.

"There's the risk that the ban on scarves will alienate some of the traditionalists who originally supported the generals," a prominent Turkish editor said.

The dispute broke open the open in the Consultative Assembly when a deputy made an impassioned speech criticizing the ban. "The state can be secular," the deputy said, "the republic can be secular, but you cannot expect an individual or a religion to be secular. According to our religion, it is obligatory to cover the heads, and it is God's order."

Many assembly members protested against the speech by banging on their desks, and one deputy urged his colleagues to defend Ataturk's republic from such a threat. It was later reported that female students boycotted classes at a school at the Mediterranean port of Mersin to protest the ban. Three students accused of instigating the boycott were said to have been detained by security forces.

Since Ataturk's revolution, Turkey has been a leader among Moslem countries in separating religion from government and in giving women equal rights with men, something not provided for under

Islamic law. While Turks have generally retained their Moslem faith, those in the cities have adopted more secular attitudes than some of their Islamic neighbors.

Nevertheless, the Islamic revival that has swept the area and reached its peak in the Iranian revolution was also felt in Turkey. There has been a noticeable increase in attendance at mosques. More young men appeared in schools and at work wearing the traditional Islamic beard, and women donned the head kerchiefs and other clothes that have become the symbol of Islamic regeneration.

The Education Ministry first tried in ban head kerchiefs a year ago, according to a report in the weekly magazine Yanki, or Echo. But the Religious Affairs Supreme Council refused, saying, "It is necessary to cover the heads of girls. It is not permissible to take off scarves."

The ministry delayed action until this month, when it again appealed to the Religious Affairs Supreme Council. Although the appeal was reported in the press, the government went ahead with the

ban without receiving a response from the council.

According to regulations announced Dec. 7, female students and teachers will be forbidden to wear head kerchiefs except during Koranic courses. They will also be barred from wearing jeans, dresses above the knees and "excessive" perfume, jewelry or makeup.

Male students were ordered to go to school with their heads uncovered. Skullcaps had previously been banned but had begun to reappear.

The purpose of the regulations is to achieve "unity, togetherness, conformity and order in clothing suitable for Ataturk's revolution and principles of civilization," the ministry said.

### Prices Are Rising

ANKARA (AP) — The government on Tuesday increased the prices of gasoline and other petroleum products for the fifth time this year. A gallon of gasoline, which cost \$1.40 in January, will now sell for \$2.10 in Ankara. The government said the increases were necessary because of the decline of the value of the Turkish lira in relation to the dollar.

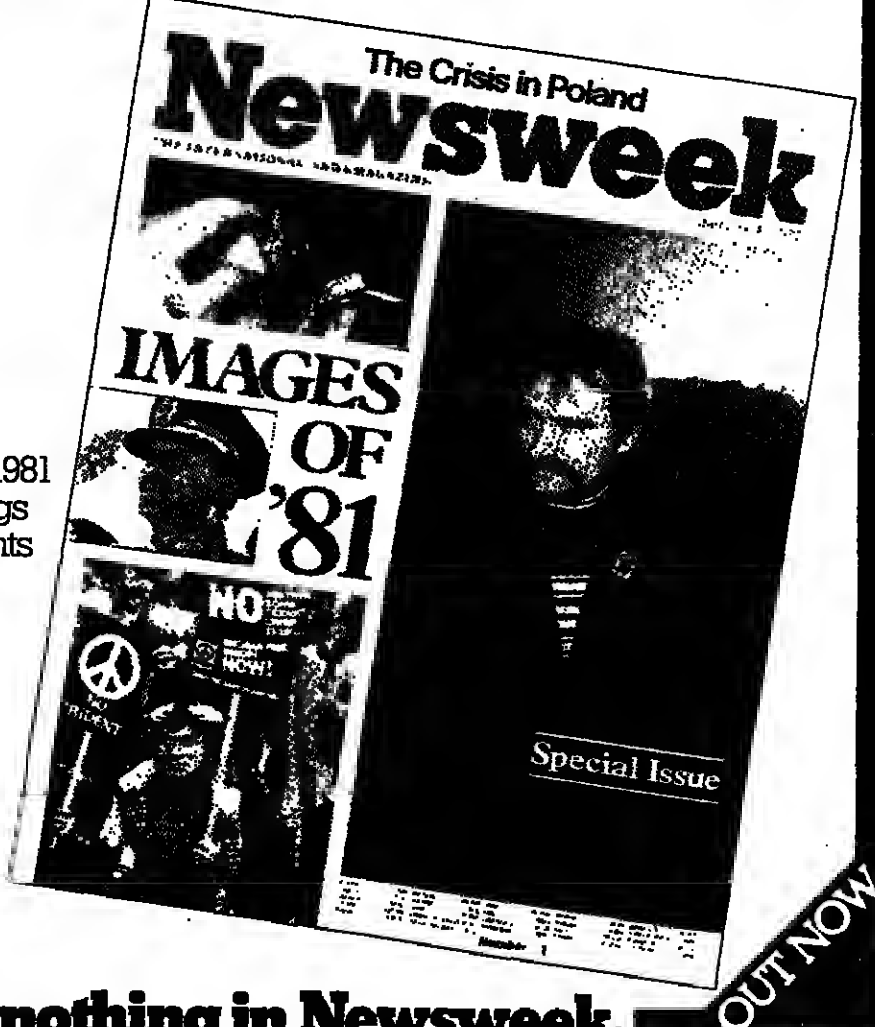
# What's in Newsweek's review of '81?

Who's threatening World peace?  
Who's behind the Middle East crisis?  
Who was who at that Wedding?

Newsweek's Review of 1981 takes all the major happenings of an eventful year and presents them in an authoritative but compact form.

On-the-spot reporters from around the world give you the inside information.

In Newsweek's special issue, we tell you what really happened because we were there.



You miss nothing in Newsweek.

OUT NOW



## Washington's Polish Question ...

The junta in Warsaw now suggests that the economic restrictions on Poland imposed by President Reagan, far from inducing the regime to liberalize, will lead to greater hardship and unrest and an extension of martial law and will force Poland to turn even more away from the West and toward Moscow. This is being said "privately" to Western correspondents and allowed to pass out of the country uncensored. It amounts to a deliberate effort to influence the continuing American debate over whether, in dealing with Communist governments, it is better to deal cards of accommodation to the local "doves" or, by being tough, to show the local "hawks" that their hard line doesn't pay.

It is an unending and perhaps an undeniable argument. The circumstances are always different. What is necessary now, however, is to deal with the existing Polish circumstances. As long as the Jaruzelski government's hold and style remain to an extent uncertain, it makes sense to give the regime an incentive to take the more moderate path. That might not work everywhere. It might not make the difference in Poland. But certainly Americans should not be intimidated by a contention — the contention that American pressure will merely strengthen Warsaw's hawks — that is at best dubious and at worst phony. To become Gen. Jaruzelski's unquestioning quartermaster will not do.

Naturally, Poland's military rulers, and their Soviet patrons, are distressed by sanctions. They would prefer to have the United States help rebuild Socialism-Soviet-style in Warsaw. They are playing, as well, to the strong American feeling and constituency for offering humanitarian aid. President Reagan is permitting private groups to continue shipping food to the "suffering Polish people," even as official shipments are suspended pending "absolute assurances ... that every

hit of food provided by America goes to the Polish people — not to their oppressors."

The passage of time and the spectacle of distress in Poland may yet erode that distinction. It is in any event somewhat artificial. Food given to good people makes it easier for a bad government to rule them: food withheld from a bad government leaves good people hungry. But the principle of keeping faith with the Polish people is sound, even if its application is inevitably ragged. That is where the focus must be kept.

Sovereign governments do not casually allow foreigners to monitor distribution of food through humanitarian channels, let alone through commercial ones. Just as the Soviets said when the Hoover relief mission was organized 60 years ago, the Poles will say now that the United States wishes to use food as a political lever. But there should be no apologizing for an honest intent to restore, in this critical period, some measure of Polish democracy and reform. The Polish government's intent to use food — American food — as a tool of its own is not only political but base.

The Polish authorities are preparing the ground to blame the United States, if it continues to impose conditions on food deliveries and other economic transactions, for Poland's distress. This is a lie. Poland's distress, economic and political, has a big red label on it: "Made in Moscow." The Polish people indicated, by joining and supporting Solidarity, that they understand that perfectly.

The steps the junta has taken to paralyze Solidarity have gone far to paralyze the economy. The Polish government cannot maintain this degree of repression indefinitely, unless it is prepared to let the whole country collapse. It should not be the United States that lets the Warsaw authorities off the hook.

THE WASHINGTON POST.

## ... And Warsaw's Food Question

Poland's military government announces that it will welcome the new year with reductions in the meat and butter rations. That decision has deep and ominous implications, in a country whose recent history can be written in terms of its food supply.

The availability of food of high quality, especially meat, has acquired enormous significance in Poland as the crucial indicator of the standard of living, national well-being, and progress in general. The point is made in a useful study of Eastern European agriculture by the Organization for Economic Cooperation and Development, which adds: "One reason for this is the shortage of alternative consumer goods and services like housing, tourism, motor cars and other consumer durables." Another reason is the sharp and rather recent memory of starvation on a scale that the United States, fortunately, has never experienced. Still another reason is the pervasive suspicion that the government plays with the food supply for its own political purposes. To most Poles, the food in the stores and on the table is the single most reliable indicator not only of the government's intentions, but of its basic competence.

The 1970 uprising against the government began with an increase in food prices. Thereafter, for several years, food production and consumption rose extraordinarily rapidly. The episode seems to demonstrate, to many Poles, that if you kicked the machine it would run faster. But then the rise stopped, in the middle 1970s. There was another popular rebellion in 1976, but that time nothing improved. The government had got itself into a genuinely ugly dilemma. It had let food prices get too low, in its efforts to placate its people, and it was trying to increase production by Socializing more farms. Socialization was, as usual, having the opposite effect. The

government had begun to run intolerable deficits, buying food and feed from the West. Finally, in the summer of 1980, a desperate government tried to raise the price of meat. The resulting explosion made Solidarity a major force in the country. Now, a year and a half later, having suppressed Solidarity by force, the military government is going to try to cut the consumption of meat the other way, by shortening the ration.

Farmers with more than the tiniest holdings will get no ration at all. The government's intention is apparently to suggest to the cities that the whole disaster is to be blamed on farmers' hoarding. Two-thirds of Poland's agricultural land remains in the hands of private farmers, who are now being set up again in the familiar role of enemies of the people. The effect of this tactic is likely to be more hoarding, both on the farm and in the city, followed by further declines in farm production.

Within the past two weeks, the military government has greatly strengthened public suspicions that the food supply is being manipulated for political purposes. Throughout the autumn, as lines at the grocery stores got longer, there was a lot of muttering that the regime was deliberately withholding supplies in the hope that people would blame Solidarity and turn against it. Immediately after the declaration of martial law, the government flooded the stores with delicacies that had not been seen there for a long time. With that gesture, it retroactively confirmed the earlier charges. That episode will make it difficult, when sausage gets scarcer than ever next month, to persuade Polish working people that it's the farmers who are responsible, and not the generals.

THE WASHINGTON POST.

## Bold Start in the Caribbean

Secretary Haig can always get a headline when he grows at Cuba or Nicaragua, but he has won little more than a yawn with his program for Caribbean development. In proposing favored treatment for a single region, he is looking beyond the guerrilla skirmishes of the day to preventing hazards a decade hence, and that rates more than a yawn. Much depends on the details, still to come, but in the meantime it appears to be a genuinely hold start.

Giving the Caribbean countries trade and investment preferences has an obvious attraction. It would require only a modest appropriation, since it relies mostly on private-sector revenues to spur development among 22 million people in 31 countries.

It is thus consistent with President Reagan's stress on self-help and free-market discipline. By creating more jobs in a stricken

region, it could also retard illegal migration to the United States.

But there is a big drawback. One-way free-trade arrangements and tax-sparing plans could give the Caribbean countries a competitive export edge over Brazil, Mexico and, closer to home, Puerto Rico. On the American mainland, those likely to be hurt include sugar growers and textile manufacturers, interests that will cry loudly about sacrificing American jobs to cheaper Caribbean labor.

To be sure, the United States has a security interest in regional stability, a consumer interest in brisker competition and a moral interest in countering poverty. But merely stating these truisms won't get a Caribbean program through Congress. It will take vigorous lobbying and presidential eloquence to give the administration's diplomacy a realistic development feature.

THE NEW YORK TIMES.

## Poland: A Coup That Solved Nothing

By William Pfaff

PARIS — The coup d'état in Poland has left everyone in a worse condition than before — including the Soviet Union, the Polish military leaders and the Polish Communist Party, if a Communist Party of consequence can be said still to exist in Poland. The coup has solved nothing. It temporizes with the inevitable.

The protests of the Western powers have at the same time been shown to be empty. In the past, they have drawn together when the Soviet Union has demonstrated its capacity for ruthless action. They have not done so this time because they find nothing credible to do. As matters presently stand, the NATO countries have no serious influence upon what the Soviet Union does, or causes to be done, in that zone of Eastern Europe assigned to its influence by the Yalta conference of 1945.

NATO is meant to defend the West, not the East. But the countries actively threatened by the Soviet Union are its nominal allies, not its formal enemies. NATO is irrelevant to this affair. Such is the disgraceful truth which lies behind all that has not been done by the Western allies since Sunday, the 13th of December.

Yet something important has changed since the last time the Soviet Union caused one of its allies to be invaded. The suppression of the Czechoslovak "spring" in 1968 seemed to demonstrate the presence of the East-West division in Europe, and thus to provide a paradoxical proof of the stability of the postwar system. There were many in the West who found this reassuring, meriting a certain complacency in ratifying that invasion — to keep the peace, they would have explained.

The Polish affair has shown the contrary, that no lasting stability exists in Eastern Europe. No matter what the Soviet Union now does, its problems are not solved and buried. The outlook for the future is of recurrent trouble, an irregularly, but ominously, worsening situation.

What intelligent Soviet official can today believe that his government will not have to face



this Polish problem, or something like it, again in another 5 or 10 years? What intelligent Russian can imagine that a military junta in Poland can produce long-term improvement in the position of the Soviet Union? All that has been proven is that the Polish Army, plus the police, can impose a superficial order in the country. But that even the army is truly reliable has yet to be shown, since its discipline has not seriously been tested. Thus far, the paramilitary security troops have done the dirty work.

### A Form of Legitimacy

It makes a grotesque contrast to what is supposed to happen in a Socialist state. People are supposed to believe in the Communist Party's "vanguard role" among the working class. The party is supposed to have earned that role through competence, austerity, service, and so on. It is supposed actually to believe that the party is a progressive, indispensable, force in their nation's destiny.

In the Soviet Union, unhappy as that society may be, there seems little doubt that the Communist Party does possess a form of legitimacy. No one seriously resists it. There has been

no Solidarity movement among Russia's workers, no mass stirrings of opposition, no uprisings against party and secret police. The Russian people may not love their government, but no foreign country has imposed it upon them. They put it in by a revolution, and they could put it out. It is the result of their own choice, for better or for worse. For 70 years they have tolerated it, and they have cooperated in imposing its rule upon their neighboring countries — where it has earned no legitimacy at all.

In Poland today, as in Czechoslovakia and Hungary, a representative system of government, more or less like the governments of the West, would instantly be installed if the military forces of the Soviet Union were not there to prevent it.

This illegitimacy of the Communist governments of Eastern Europe provides a permanent source of insecurity to the Soviet Union itself, more threatening to its real well-being, it may be, than either NATO or China's hostility. What security can Russians have when their ostensible allies, upon whom their military defense intimately depends, spontaneously prefer their enemies to Russia?

But for Western Europe, the West's evident moral and political ascendancy over the Soviet Union has proven a source of discord because there is no agreement on how to translate it into action.

Yalta handed Eastern Europe over to the Soviet Union. At the time, there seemed no good alternative. The West conceded Europe's division at the time of the Hungarian Revolution in 1956. The Helsinki Treaty in 1975 ratified it. Nothing serious has ever been done to explore ways by which this arrangement, which has ceased to provide security to either East or West, might peacefully be changed.

So now, in Western Europe, the allies drift away from the United States because they see nothing useful to do about Poland, and because they have lost confidence in American judgment. Washington, correspondingly, is increasingly estranged from Europe, turning toward unilateral policies. Wrapped in private indignations, thwarted by a division of Europe that is the legacy of the war, led by unimaginative men, Europeans and Americans sleepwalk into 1982, into danger.

©1981, International Herald Tribune.

## Economic Risks in Reagan Military Buildup

By Robert De Grasse Jr. and David Gold

NEW YORK — As President Reagan constructs the fiscal 1983 budget, he should be aware that the administration's military buildup will severely damage the economy for decades.

Many critics have discussed the short-term problems of increased spending on arms, such as production bottlenecks in defense industries and large-scale federal borrowing to finance militarization. But these factors pale in comparison to the long-term damage inflicted by the decline in capital investment and the misdirection of technological growth that accompanies higher military spending.

Economists have long warned that if limited resources of capital and labor are used for "guns," fewer will be available to produce "butter." Today, diversion of capital and labor to production of weapons sacrifices opportunities to strengthen civilian industry. This economic logic has empirical support.

The Council on Economic Priorities, in an ongoing study that compares the performances of 13 major industrialized countries over the last two decades, finds that countries that spent a smaller average share of national economic output on the military generally experienced faster growth, greater investment and higher productivity. The United States and other countries that carried a heavier military burden showed poorer economic performance.

Our study showed that the United States and Britain, the countries with the largest defense burdens, have the most seriously stagnating economies. Japan, Austria and Canada had the lowest defense burdens and much stronger economies. Other countries in the middle — West Germany, Belgium, Sweden — each have a smaller defense burden and more effective economic performance than the United States and Britain.

We also found that Americans cannot blame social spending or high wages for poor economic performance. Of the 13 countries studied, the United States, over the last 20 years, had the third-lowest level of government spending for civilian purposes as a share of the gross national product. The average level of compensation per hour worked by manufacturing employees put America right in the middle of our list of countries.

### Poor Record

Military spokesmen frequently claim that spending for arms stimulates capital and technology. Our statistical results indicate, however, that higher defense spending comes at the expense of new investment. Production of arms shifts key human resources, such as scientists and engineers, as well as scarce materials, factories and financing away from civilian pursuits. This shift reduces innovation and investment in civilian technology, which stifles economic growth and reduces the growth in productivity for the economy as a whole.

Many, including Secretary of Defense Casper W. Weinberger, contend that increased military spending will result in civilian spin-offs. While in the past, military research and development

helped create technologies like the jet engine and micro-electronics, two problems increasingly plague defense-related innovations.

First, America's record in translating military advances into competitive civilian products has been especially poor in the past decade. For example, while solid-state circuits were an innovation financed by the military, it was the Japanese who successfully used them to decrease the cost of television sets, stereos and videotape recorders. And, although the civilian aerospace industry has heavily supported by our military know-how, the American dominance of that industry is disappearing. With Lockheed and perhaps McDonnell Douglas halting production of civilian airliners, soon only Boeing will remain to challenge Europe's Airbus Industrie.

Second, the military's technical

needs increasingly emphasize high performance irrespective of cost, making defense technology inappropriate for commercial applications.

For example, while military demands are pushing American development of computer chips in the direction of still higher speeds at higher cost, Japanese manufacturers are developing cheaper, more reliable chips with greater storage capacity, and are threatening to dominate the civilian side of this industry by the end of the decade. If the defense market continues to be so heavily skewed toward the most sophisticated and expensive applications of technology, even fewer military innovations will prove useful in civilian life.

More disturbing still, sophisticated military technology may not even result in effective weapons. The Pentagon's new generation of

weapons has come under increasing criticism for high cost, poor performance and low reliability. Thus, the increasing burden being imposed on the economy may not even buy greater military security.

Other factors like higher energy costs and myopic management have also contributed to poor economic performance. But there can be little doubt that galloping spending on arms will damage prospects for long-term economic growth. While President Reagan's military buildup may revitalize the arms industry, that is a far cry from re-industrializing America.

Robert De Grasse Jr. directs the Council on Economic Priorities' "zero-based military budget project." David Gold directs the council's military research. This article was written for The New York Times.

## Graphic Gore as the Nightly News

By Herbert London

NEW YORK — We live in the era of news-media overkill.

It isn't enough to acknowledge the ubiquity of barbarism; we are forced to see it in color. Local U.S. television news assaults our sensibilities with graphic details of incineration, rape, infanticide, gruesome murders and every horror that the well-developed imagination of a masochist can conceive.

It isn't that these events do not occur. Everyone living in New York City and every other city is aware of them. The issue is not whether these stories are news — technically, whatever occurs is news — but whether they are newsworthy.

I am not arguing here for censorship, albeit any concern for human decency ultimately involves some limits on what television allows us to observe. What I am demanding is tastefulness.

### No Justification

Admittedly, that word lacks precision. But it isn't hard to understand. Showing an infant that had been put in an oven by a demented mother is not tasteful. There is simply no justification for such pictures. There is probably no justification for such a news story. Hearing about such crimes doesn't make us more knowledgeable about or sensitive to this issue; it simply creates anxiety and fear. Moreover, this is anxiety and fear that have no appropriate outlet. What are we supposed to do about the violence around us? What can we do?

Since most of these news programs appear on the screen immediately before we go to sleep, one wonders what purpose can possibly be served by this rundown of hideous tales.

In the 19th century, some smaller newspapers were printed only when there was news. However, with prescribed scheduling in the television age, news stories will be found whether there are any or not. The result is gone on a scale that would be shocking on the now-defunct series "Starky and Hutch."

Before readers conclude that I am a devotee of the Moral Majority or a Pollyanna who thinks Mary

Poppins should read fairy tales to the air before we go to bed, let me disabuse them of these notions.

I am not opposed to hard-hitting news stories that deal with important issues, including crime. What I do oppose are gratuitous details that add nothing to the story except shock value, or stories that are better left off the air because their effect is so pernicious and their newsworthiness so slight.

Voltaire argued very effectively that truth would emerge in an atmosphere where the free exchange of ideas is possible. Generally speaking, I adhere to this position. However, television news does not always represent the free exchange of ideas. It is a battleground for ratings in which a Gresham's Law of news prevails. Shocking stories tend to drive edifying news out of circulation.

Needless to say, this isn't always the case. Networks usually are circumspect about their news programming. The egregious offenders are at the local level, where news directors play the rating game or don't play at all.

You might say, "If these news shows offend you, turn them off." My reply is, I can and do. But if I want to get the late weather report, the final sports results and local news on whether a strike has been settled or what subsidy Albany will provide for the subway system, where do I turn? Should I forget about these matters? Should I dial the telephone for the sports results and the weather report, and

wait to read about the news in the morning paper? That is certainly possible.

But why should I be in the position of doing so? It seems to me that a news program has an obligation to report the news with a fair degree of accuracy and on stories that are unquestionably newsworthy. It also seems to me that I can induce my own nightmares without the assistance of the late-evening news.

I realize that this concern won't translate into a popular movement. I am also sufficiently callous to realize that shocking stories may attract some viewers. However, I have enough idealism left to believe that civilized news might have a modestly uplifting effect on the viewing audience.

A station that produces such news might have surprisingly high ratings, might perform a real public service and might be an antidote to the horrors on competing channels. But even if none of this happens, I can assure the courageous news producer that he will have one viewer who will steadfastly watch his program.

Herbert London is dean of New York University's Gallatin Division, which conducts experimental programs in education. He is co-author (with Albert Weis) of the book "Myths That Rule America," which was made into a television series. He wrote this article for The New York Times.

## -Letters-

Mideast 'Roles'

The Washington Post's editorial "Talk After the Theater" (Dec. 14) is undoubtedly the most cynical form of mystification I have ever come across to date, unless, of course, the editorialist had particularly in mind the "Théâtre de l'Absurde." To assert that the occupying Israeli forces have been trapped into violence by the Palestinians amounts in my view to nothing less than to claim that the poor Nazi forces were provoked by the French Resistance into organizing mass deportations and executions and that in so doing they were "playing perfectly the role" assigned to them, to quote the editorial's words justifying Israeli coercive measures in the occupied territories.

No, military occupation is no theatrical role. It is simply an institution, an establishment and should be judged as such no matter who is occupying and who is being occupied.

ALFATH I. HAMAD.

Paris.

Japan and Israel

George Will, in his Dec. 7 column, errs greatly in equating the aggressive nuclear-armed nation that was Japan in 1941 with the modern state of Israel, a nation besieged on all sides by proponents of a holy war against its very existence.

JUDITH HEBER.

Helsingborg, Sweden.

Peace Movement

In contradistinction to the confusion of thought on the part of many International Herald Tribune columnists and contributors is a brief, clear evaluation of the West European peace movement which appeared in a news dispatch in the Tribune's Dec. 2 issue.

French Secretary of State for Defense Georges Lemaire was quoted as saying: "Supporters of the peace movement in Western Europe who have been demanding cancellation of new medium-range missiles on the Continent were reacting irrationally against weapons intended to protect them."

K.H. HECHT.

Solna, Sweden.

Scourge of Florida

Sandy Hicks and Julia Morton have been barking up the wrong *Schinus*.

The pink peppercorns are not the red berries of *Schinus terebinthifolius*, but the pink berries of *Schinus molle*, its cousin.

The fruit of the Brazilian pepper — the scourge of Florida — does not enter the dishes of any nouvelle cuisine, and rightly so. The fruit of the so-called "pepper tree," an ornamental and spreading tree grown everywhere in the tropics and subtropics, has never been said to be poisonous. Many people, including youngsters, have chewed those dry pink berries without harmful results.

The poison ivy family of plants contains many dangerous species; mangoes and cashews, however, are members of that family, and even a shrub of the *Rhus* group, very close to poison ivy, provides the Iranians with "sumach," their favorite condiment.

DR. J.O. CRANDJOUAN.

La Jolla, Calif.

Creationism

The creeping strength of the creationist movement in the United States is a very frightening specter.

To call the Biblical story of creation a science is to completely disregard the irrefutable geological and paleontological evidence supporting the evolutionary process. Teaching the fairy tale of Noah's Ark as a scientific fact can be equated to introducing the stork's role in childbirth in Advanced Biology.

Modern history has many examples of how religious "fundamentalists" gain control of unsuspecting masses. Let us have no more Jim Joneses or Ayatollah Khomeinis.

EDWARD DORSON.

Birkbeck, Denmark.

Jobs and Welfare

In his article, "Big Spenders Still Reign on Capitol Hill" (Dec. 11), Thomas Sowell puts forth the proposition that welfare appropriations would be better spent if they went directly to the poor instead of into the pockets of the bureaucrats. I have no argument with this thesis, but in citing some faulty figures he has damaged his case.

Mr. Sowell states that "Michael Novak has calculated that every black teen-ager in America could be employed 40 hours a week, year-round, for less than one-fourth the cost of the CETA [Comprehensive Education and Training Act]." Wrong. If one charitably assumes that Mr. Novak's careless statement applies only to those black teen-agers between the ages of 17-19, the overall number would be in the neighborhood of 1.7 million persons. If all were employed at the minimum wage, their total earnings for a year would be nearly \$12 billion. By contrast, the CETA appropriation was some \$5 billion in 1981.

HARRISON B. SHERWOOD.

Bonn.

## Dec. 30: From Our Pages of 75 and 50 Years Ago

1906: Majlis Agreement

1931: U.S. Murder Rates

TEHRAN — Of a sudden, the whole difficulty with the Majlis, the Persian Parliament, has been solved practically. An agreement was come to this afternoon on the following general lines: The Valiah, or Crown Prince, has the power to dissolve the Majlis, but engages not to do so for two years. He gives over the entire control of the Budget to the Majlis. The Senate may make suggestions in reference to the Budget, but cannot enforce them. Then came the discussion of a knotty point regarding the Senate. The Valiah asked the Majlis to let him have five more members. The Majlis agreed to his wish, namely, that there should be 30 Senators representing the government and 30 for the people.

NEW ORLEANS — The United States was pronounced the most murderous country in the world in a communication to the Society for the Advancement of Science. With statistics showing murder rates for 31 cities of the United States, Prof. Keith Barnhart of Birmingham Southern College declared that this rate was 19 times that of England and Wales together in 1929, and considerably higher than that shown by any other country. Prof. Barnhart also disclosed figures showing that none of the 10 largest American cities led in murder, the places of honor going to Southern cities. Chicago, he said, ranked 40 and New York 47th in murder cities, while Memphis led with 58.8 murders per 100,000 of the population.



## Cosmetic Approach Based on Kabuki Makeup

By Hebe Dorsey  
International Herald Tribune

**OKYO** — Kabuki makeup, expressively outlining features in red and black on a stark white background, is eagerly being studied by a number of top Western makeup artists. One reason is that the Japanese technique is based on expressing human emotions, as they do in Kabuki drama. A second reason is their subtle, individual way of mixing their own colors, instead of using hat comes in a box.

The makeup artist who probably best reconciles East and West is a 35-year-old Parisian, Serge Lutens. In his own words, Lutens says that he created Christian Dior's cosmetics line in 1968 he was influenced by Kabuki makeup.

"I was already into white," he said in a recent interview. "I started with white makeup 15 years ago, when I was working for Vogue and other glossies. People thought I was mad. Colleagues used to kid me: 'Lutens and his dead women,' they said."

### White Masked Face

Two years later, he moved over to the Japanese cosmetics company Shiseido, with 563 lines and 130 researchers. Besides being in charge of Shiseido's two international cosmetics lines (for which he creates colors twice a year) plus two perfumes, Lutens oversees its advertising campaign. His most striking contribution so far is a poster with a red sun topped by a woman and very white lady, of whom you only see one languid arm and a white masked face.

Lutens himself is quite pale, with large, deep-green and inquisitive eyes. Small and slight, he wears his curly hair tightly pulled into a little bun.

The Shiseido-Lutens meeting must be fate, because, as he tells it: "Ten years ago, I went to Japan and did a picture story on a Ka-

buki actor making up. I started from the beginning. We see him arriving, dressed in city clothes, a gentleman. Then we see him as he settles down on his tatami, puts on his robe, then makes up with the traditional products.

"The first thing he puts on is a base, which acts as an insulating layer. It's a sort of paste, like a soft wax, that blots out every expression, every line on the face, as well as the skin texture and the eyebrows. After spreading this wax all over, he paints himself with big brushes dipped into a mixture of water and white. He puts on several layers, as many as he needs to become totally white.

### Theatrical Textures

"Then he paints on his face according to the character he is playing — women, villains, young girls or whatever. The base is always the same white, then he paints on what he wants to express — evil, gentleness, aggressiveness, the whole range of human emotions." Lutens remembers how impressed he was: "The first time I saw it all, I was in total shock."

Lutens loves the textures of the theatrical makeup. "With these materialistic products," he says, "one can render very immaterial impressions. The idea of having a totally white base and painting over it is fantastic. They paint an emotion, they tell a story with their faces."

Lutens was inspired by the handling of colors. "Kabuki is very strong and at the same time, very delicate. For instance, one can put on red and black then all of a sudden add a very pale, delicate blue. It's a study in intensity."

He was also influenced by the way the Japanese use pink. "The Japanese invented *anti-cerne* [which hides rings under the eyes]," he says, "and unlike most cosmetics companies, do not use white (which makes for worse bags) but pale pink, which works like magic." They also put a touch



Serge Lutens links Eastern and Western makeup styles.

of red at the outer corner of the eyes to create a feeling of vivacity.

"Pink for Japanese is the color of youth, freshness, the magic color," he said. "They adore cherry trees and pink is their favorite color. If you want to please Japanese, give them pink."

They use very little black, just to outline the eyes. The mouth is very small, like a minuscule cherry. Kabuki makeup, by the way, is also used by geishas and at traditional weddings.

Lutens was also influenced by the Japanese habit of choosing names that refer to nature. "I only pick names based on nature," he says, "such as leaves, water, wind, moon, snow, night."

There is a great deal of difference, just the same, between Japanese and Western makeup. "The eye makeup, of course, is very different," he points out. "The skin color, too, with the Japanese love of white. There's no way we could sell the Japanese the same makeup bases we sell in France — they would find them too dark. At the end of the summer, Shiseido puts out whitening products for the Japanese market."

Lutens, who keeps at least 200 different Japanese makeup charts at home, says he has been able to transfer some of Kabuki makeup into everyday life. "You can be somebody totally different if you decide to," he says. "You can be charming, mean, seductive — everything you want to be. To charm, you put on makeup with subtle pastel colors. If you want to look strong, you put on very strong reds, very assertive makeup. At other times, you might want to be sumptuous, so you put on sumptuous makeup, sumptuous jewelry, glamorous glitter."

"But on the whole," he has to admit, "makeup is like life. Most often, one must be polite and use accordingly polite makeup."



Kabuki actor and finished makeup: A subtle way of mixing colors and expressing emotions.

## A U.S. Critic's Choice of Top Films of '81

By Vincent Canby  
New York Times Service

**NEW YEAR** — In a year that witnesses the release of such dillies as "Endless Love," "Just a Gigolo" and "Tarzan the Ape Man," as well as the second attempt in less than 12 months to open "Heaven's Gate" in a theater all-new or improved form, almost anything else is bound to look good, at least in retrospect.

Though 1981 offered lean pickings, there always seemed to be some films that were disarmingly likable, or that were, despite their failures, worth talking, writing and arguing about.

Among them Richard Lester's "Superman II," which was witty, fun and out so quickly forgettable as "Superman I"; Mel Brooks' low and rude "History of the World, Part Two"; Brian De Palma's movie-obsessed "Blow Out"; Lamont Johnson's "Cattle Annie and Little Britches," with its lovely debut performance by Amanda Plummer; John Carpenter's great-looking "Escape From New York"; Frank Perry's "Mommie Dearest," with Faye Dunaway's ghastly affecting performance as Joan Crawford; Robert Alda's nice-sounding "Four Seasons"; John Alvin's "All the Marbles"; and Michael Wadleigh's stylish thriller, "Wolfen."

### Worth Talking Seriously

Worth talking seriously even when they didn't measure up to their aspirations were Rainer Werner Fassbinder's "Lili Marleen," a sort of extended Darryl F. Zanuck, 1943, 20th Century-Fox movie musical; "Ragtime," the Milos Forman-Michael Weller adaptation of the E.L. Doctorow novel; John Irvin's "The Dogs of War"; Herbert Ross' "From Heaven," a Hollywood idea of a Fassbinder movie musical; Daniel Petrie's "Fort Apache — the Bronx"; "Prince of the City," the Sidney Lumet and Jay Presson Allen drama on the conflicting loyalties of a squealing narcotics detective; and Andrzej Wajda's "Man of Marble" (made in 1977) and "Man of Iron," whose political timeliness overwhelm their impact as cinema.

The 10 best films of 1981, in alphabetical order: "Arthur," the first film to be directed and written by Steve Gordon, is a contemporary screwball comedy whose uninhibited high spirits are matched by the performance of Dudley Moore in the title role, as an aged Manhattanite who drinks too much and stands to inherit \$750 million if he marries the insufferably self-assured society girl his family has picked out for him. Instead, Arthur falls in love with the naive but brilliant (Liza Minnelli). But it's Sir John Gielgud, as Arthur's manservant,

who provides the film with its comic backbone.

"Atlantic City" is one of the most joyous and original American movies in years, though it is, technically, a Canadian-French coproduction and its director, Louis Malle, is French. Malle and his collaborator, John Guare, the New York playwright who wrote the screenplay, tell an elegiac fairy tale of love and luck about an aging, one-time mob gofer (Burt Lancaster at his very best), a spoiled, bedridden, former beauty (Kate Reid), whom he courts to earn pocket money, and some of the younger people who drift into the "new" Atlantic City gambling boom.

### Gritty Melodrama

"Body Heat," the first film to be directed by Lawrence Kasdan, is a gritty, steamy, amoral and thoroughly satisfying melodrama about adultery, murder and double and triple-crosses in the kind of seedy Florida cities most tourists fly over. The world of "Body Heat" suggests what life would be like lived inside an especially gaudy pinball machine. William Hurt, who could be starting a superstar career with this film, plays the one-too-bright, small-town lawyer, Kathleen Turner is the beautiful, overheated wife he unfortunately falls in love with.

"Four Friends," directed by Arthur Penn and written by Steve Tesich, is their ambitious, very moving attempt to get a fix on the United States in the 1960s. Craig Wasson plays the Tesich surrogate figure, a Yugoslavian-born, East Chicago-born young man who wanders, undaunted, through the decade of political assassinations, dropping

out and turning on, and the risk of the movie is the anti-Vietnam movement. The movie is episodic, sometimes dreamlike, sometimes overwrought, but it has at its center one of the most surprising and terrifying sequences Penn has ever filmed.

### Brazilian Entry

"Pixote," the third film by the Argentine-born Brazilian director, Hector Babenco, is a stinging but sometimes lyrical study of São Paulo's street boys, particularly of Pixote (Fernando Ramos Da Silva), a kid who drifts casually from petty thievery into drug dealing and homicide. The movie looks like a documentary but displays the freedom of the imagination of great fiction. It's the best film of its kind since Luis Buñuel's "Los Olvidados" and like it, "Pixote" may become a classic.

"Raiders of the Lost Ark" If Hollywood insists on making films designed to gross hundreds of millions of dollars by appealing to the largest possible audiences, it could not do much better than this imaginative, breathless, very funny homage to the glorious days of B-pictures and 15-part movie serials. The screenplay is by Lawrence Kasdan and the director is Steven Spielberg. Harrison Ford stars as Indiana Jones, a professor of archaeology who has a close brush with death every 90 seconds, and Karen Allen plays his intended. More about the story, don't ask. Go.

"Reds" is Warren Beatty's big-budget chef d'oeuvre, about the lives and loves of John Reed (Beatty), the talented, privileged U.S. journalist, and Louise Bryant (Diane Keaton), whom he

saved from a life worse than death in the Russian Civil War, circa 1915. The film moves from Mexico to Portland to Provincetown, Mass., in the years immediately preceding the United States' entry into World War I, then goes on to Russia to attend the Bolshevik Revolution of 1917. The supporting cast of thousands includes fine performances by Maureen Stapleton, Jack Nicholson and Jerzy Kosinski, plus more than two dozen very, very old people, billed only as "The Witnesses," whom Beatty interviewed about the Reds and their long-gone times.

"Stevie" is Stevie Smith, the marvelously idiosyncratic English poet who died in 1971. Stevie lived most of her life in a neat little house just outside London, writing her short, brilliant poems, and caring for her mother's beloved sister, called simply "Aunt" or "the lico aunt." The film, produced in 1978, but not released in New York until 1981, was adapted by Hugh Whitmore from his play and directed by Robert Alton. Glenda Jackson, who plays Stevie, is better than she is Stevie, and Mona Washborne is not far behind as her aunt. The film, made on a small scale, is as big and encompassing as Stevie's remarkable mind.

"True Confessions" Ulu Grosbard's screen version of John Gregory Dunne's novel, adapted by Dunne and Joan Didion, is the year's best mystery film. The time is the postwar 1940s and the place is Los Angeles where, one morning, the mutilated body of a so-called "party girl" is found in a vacant lot. "True Confessions" is more than a whodunit; it's about the relations between church and community, by between police and members of the underworld they often inhabit. But mostly, it's about the mysterious ties of two brothers, one (Robert Duvall) a vice cop, and the other (Robert De Niro) an ambitious, career-oriented Roman Catholic monk. Grosbard's direction is just about flawless.

"The Woman Next Door," is Francois Truffaut's romantic melodrama about two former lovers who, suddenly and without premeditation, find themselves living outside Grenoble in adjacent houses but, unfortunately, married to other people. The film begins in a light-hearted way, then, imperceptibly, evolves into a love story of wildly out-of-control, obsessive passion. Gerard Depardieu is the former lover and husband whose placid life is shattered by the arrival of his former mistress, played by Fanny Ardant, a beauty whose icy calm and poised initially give no hint of the violence within. She is a major film discovery.

## And a View From Europe

By Thomas Quinn Curtiss  
International Herald Tribune

**PARIS** — The 10 best films shown in Europe during 1981 in the opinion of this reviewer are:

"Elephant Man," directed by David Lynch.  
"Mephisto" (Istvan Szabo).  
"Oblomov" (Nikita Mikhalkov).  
"Raiders of the Lost Ark" (Steven Spielberg).  
"Light Years Away" (Alain Tanner).  
"La Femme de l'aviateur" (Eric Rohmer).  
"Nelle" (Juliet Berto/Jean-Henri Roger).  
"Garde à vue" (Claude Miller).  
"Man of Iron" (Andrzej Wajda).  
"The Music Room" (Satyajit Ray).

The best actors: John Hurt as the deformed hero in "Elephant Man" and Klaus Maria Brandauer as the arriviste comedian in "Mephisto." The best actress: Ornella Muti in Marco Ferreri's "Storie di Ordinarie Follie" (Tales of Common Madness).

The best photography: Ennio Guarnieri for "The Wings of the Dove."

The best "effects": "Raiders of the Lost Ark."

The best musical score: Carmine Coppola for the revived "Napoleon" of Abel Gance.

The 10 worst films of 1981: "The Jazz Singer," "Little Miss Marker" (third remake), "Fay," "Heaven's Gate," "Blood Beach," "In God We Trust," "Evangelio," "S.O.B.," "La Dame aux Camélias" (in its Mauro Bolognini resurrection) and Walerian Borowczyk's reworking of Robert Louis Stevenson's double-faced tale, "Dr. Jekyll et les femmes."

## U.S. Veterans Defend Trip To Vietnam

### Leader Denies Group Aided in Propaganda

New York Times Service

**NEW YORK** — Four American veterans of the Indochina war, back in New York from a six-day visit to Vietnam, defended their trip against charges that they had served Vietnamese propaganda purposes.

The accusations were made at a news conference held Monday by the four veterans to report they had succeeded in opening channels of communication with Hanoi. In responding to the charges, Robert O. Muller, executive director of the Vietnam Veterans of America, said they did not feel they had been "used by Vietnamese" to promote contacts with the United States that might lead to diplomatic relations and economic aid.

Mr. Muller, a former Marine paralyzed from the waist down by a bullet wound incurred during fighting in 1969 in South Vietnam, said Vietnam's foreign minister, Nguyen Co Thach, had promised them his government would undertake "renewed efforts" to account for Americans listed as missing in action.

The foreign minister also promised, Mr. Muller added, that Vietnam would allow American scientists and doctors to visit Vietnam to gather information about the effects of Agent Orange, a defoliant used during the war. But Mr. Muller said no timetable for such action had been mentioned.

Mr. Muller and the three other veterans were repeatedly interrupted at the news conference by individuals who denounced their trip as a failure.

"As a Vietnam veteran, I feel you're a total disgrace," shouted Albert Santoli, who said he represented seven veterans' groups, among them the Veterans of Foreign Wars and the American Legion.

The news conference was sponsored by Penthouse magazine, which paid for the four veterans' trip to Vietnam. The four returned last Friday.

In response to a question, Mr. Muller said he would not speculate why the Vietnamese government had allowed him and his three associates to visit Vietnam now when it had denied previous requests by other veterans.

### Peking Improves Airport

The Associated Press

**PEKING** — Peking's airport has strengthened and strengthened its second runway to handle jumbo jets, the Peking Daily reported Tuesday.

## Chiang Kai-shek: Honor Again on the Mainland

By Michael Parks  
Los Angeles Times Service

**XIKOU, China** — Chiang Kai-shek, the most obscure foe of the Chinese Communists until his death six years ago, is a hero again here in his hometown.

The old Chiang family home, a 49-room mansion, has been renovated, and the hall within honoring the family's ancestors has been restored. The tombs of Chiang's mother and father have been rebuilt in this sleepy district town near the East China coast.

To describe the Nationalist leader as a hero goes too far, local Communist officials insisted, but he was respectfully referred to as "Mr. Chiang Kai-shek," not cursed as a bandit and traitor as he was only three years ago.

"Our differences with Chiang Kai-shek are history," said Chen Guanning, the Fenghua County official for overseas affairs, "and our interest now is to repair this old and tragic breach between the Chinese Communist Party and the Nationalists."

### National Interest

This appeal is directed at Chiang Ching-kuo, son and political successor of Chiang Kai-shek, whom the Communist leaders in Peking see as their best partner for reuniting Taiwan with the mainland.

"As their old auntie, I can tell Chiang Ching-kuo and his brother Chiang Wei-kuo that they must

take the national interest into consideration and return," declared Chen Zhijian, 88, a close family friend. "Reunification may be the most important and glorious thing they can do for the country and its modernization."

In addition to his two sons, Chiang Kai-shek is survived by his second wife, whom he married in 1927. Madame Chiang lives near New York.

The Communist leadership in Peking recently proposed new terms for the reunification of Nationalist-ruled Taiwan and the Communist mainland, offering to share power with the Nationalists in running the country and to give the Taiwan regime maximum autonomy to retain its private-enterprise system.

The Nationalists rejected the proposal, describing it as a trick to deceive public opinion, and reiterated their intention never to negotiate with the Communists.

Hu Yaobang, the Communist Party chairman, then invited Chiang Ching-kuo and other Nationalist leaders to come to the mainland, visit their hometowns, meet old friends and relatives and assess the situation for themselves. Mr. Chiang might want to bring back the remains of his father for burial in Fenghua, according to Chinese tradition, the Communist official noted.

"A tree may grow 10,000 feet high, but its leaves fall back to the roots," Mr. Hu said, quoting a Chinese proverb. "Does Mr. Chi-

ang Ching-kuo not love his ancestral land? Doesn't he want to have Chiang Kai-shek's remains moved back and buried in the cemetery of the Chiang family in Fenghua?"

### Mother's Tomb

The tomb of Chiang Kai-shek's mother, Wang Tsai-yu, who died in 1921, is three-quarters of the way up a pine-covered hill on the outskirts of Xikou.

"A model for women," her epitaph reads.

Demolished by Red Guards 15 years ago at the start of the Cultural Revolution, the tomb was rebuilt early in 1979 with the first overtures toward Taiwan, according to local officials. A small house down the hill, where Chiang Kai-shek stayed on his last visit in 1949 before leaving for Taiwan, has also been restored.

Today, the tomb is visited daily by many Chinese — local people, tourists from other parts of China, overseas Chinese — and flowers are sometimes left. The tomb of Chiang Kai-shek's father, Chiang Chao-tsung, who died in 1895, has also been restored, but it is in a more remote area and not easily visited.

The tomb of Mao Fu-mei, Chiang Ching-kuo's mother, has also been rebuilt. She was killed in a Japanese air raid in 1939. The 12-foot high, grass-covered pyramid of earth, stands in a schoolyard; a large oval stone marker has replaced the original

one, which was destroyed during the Cultural Revolution.

"For us Chinese, it has been traditionally very important to honor and pay tribute to our ancestors," said Mr. Chen, the Fenghua overseas affairs director. "All the Chiang family tombs were placed under state protection for this reason in 1949, but during the Cultural Revolution they were destroyed. Their restoration was not just a gesture to Taiwan but a return to Chinese tradition."

The remains of Chiang Kai-shek, now buried on Taiwan, could be moved here, conforming to Confucian custom, Chinese officials say, implying that he would be accorded a measure of honor on the mainland.

"We recognize that the Kuomintang [Nationalist Party] did a number of good things in its years in power," a senior government official said in Peking. "In some respects, it did play a positive role in history. Certainly, Chiang Kai-shek has a place in history — he was a major figure. Like any leader, he has pluses and minuses, achievements and failures. We do not want our past differences to blind us to his accomplishments."

Fenghua officials were reticent in discussing what had happened to Chiang Kai-shek's local supporters and friends after the Communists came to power. "During the Cultural Revolution, even our Communist Party cadres were under severe persecution;



Chiang Kai-shek at a Taipei ceremony in 1970.

needless to say, these people suffered as well," Chen Guanning said, denying any earlier reprisals.

Tang Ruifu, 78, the Chiang family's old accountant and business manager, who arranged the marriage ceremonies of both Chiang Ching-kuo and his younger brother Wei-kuo, said he had gone through "re-education" in the 1950s and been "forced to make public self-criticisms" during the Cultural Revolution, but had survived and now felt vindicated.

There seems to be little resentment over the restoration of the Chiang family mansion, the cemetery and tombs. The Chiangs historically were salt merchants, not

large landholders, and their reputation here remains that of honest businessmen.

Among the military, however, there is open disgruntlement according to well-informed sources. "It was all right to drop 'bandit traitor' and to call Chiang Ching-kuo 'Mister' instead," one said. "But this playing up to the Nationalists, these honors for Chiang Kai-shek, the offer to share power with the Kuomintang really disturb the soldiers. They feel they have fought these people, legitimately so, for 60 years and now the politicians are making them heroes. There is a lot of resentment in the army, a lot of resentment."

## Mistrust Persists as India and Pakistan Edge Toward Talks

By Tyler Marshall  
Los Angeles Times Service

**NEW DELHI** — India and Pakistan, which have fought three wars in 35 years and stand on the brink of the world's first regional nuclear arms race, have begun a wary, almost reluctant, search for permanent peace.

In an atmosphere of skepticism and mistrust, formal ministerial-level discussions on what has been popularly dubbed a "no-war pact" are expected to start here in January.

No official announcement has been made on specific dates, but Foreign Minister Agha Shahi of Pakistan has accepted India's invitation to visit New Delhi for preliminary talks. Sources within India's Ministry for External Affairs said he would come during the first two weeks of January.

After meeting with External Affairs Ministry officials in New Delhi, Pakistan's ambassador to India, Abdul Sattar, returned to Islamabad on Monday for consultations. Although these familiar with the issues that divide the two nations expressed serious doubts that substantive results could emerge from

the talks, they admitted they were surprised that Mr. Shahi was coming at all.

Pakistan's initial offer in September for "immediate consultations" with India to negotiate a no-aggression agreement that would renounce the use of force appeared to be more an attempt to dampen opposition to purchases of arms

from the United States than an honest search for peace.

Indeed, the proposal was tacked onto a Pakistani government press release announcing agreement on a \$3.2-billion military and economic assistance package with the United States.

For more than two months, India refused to consider the offer as genuine while Pakistani officials insisted that it was.

With Pakistan resuming public relations benefits from its peace initiative, New Delhi ended its awkward diplomatic backpedaling last month when Foreign Minister P.V. Narasimha Rao told Parliament that India intended to respond positively.

But Mr. Rao said India considered the Pakistani initiative only a response to a no-war pact first offered by India 31 years and two wars ago.

Skepticism about the potential for success of the talks is based on mutual suspicion and the low state of relations between the two countries.

Relations have deteriorated perceptibly since the Soviet intervention in Afghanistan and the subsequent U.S. offer to sell arms to Pakistan.

While the Reagan administration views its agreement with Pakistan in the context of security in the Gulf and curbing of Soviet adventurism in the region, India sees it as direct threat to its own security.

Prime Minister Indira Gandhi has spoken of "gathering war clouds" and said that the sale of F-16 fighters to Pakistan has triggered an arms race on the subcontinent.

Although President Mohammed Zia ul-Haq of Pakistan has been silent about a multibillion-dollar revitalization of India's armed forces, lingering bitterness, fear and mistrust for India are clearly evident.

Pakistani officials, including Mr. Shahi, have said publicly that they feared India more than Soviet-sponsored aggression from Afghanistan. Despite the turmoil along Pakistan's 1,200-mile (1,900-kilometer) western border with Afghanistan, most of its army remains deployed along its eastern frontier with India.

On a visit to India this month, the Pakistani ambassador at large, A.K. Brohi, was quoted in a Bombay daily as saying that Pakistanis could not trust Indian leaders after "we were stabbed in the back." The remark alluded to the 1971 war in which Indian troops invaded Pakistan's eastern wing, accelerating secession and birth as the independent Bangladesh.

There have also been reports of an increase in the number of incidents along the cease-fire line separating Indian and Pakistani armed forces in Kashmir, which is claimed by both countries.

Regional specialists said there was still no possible solution to the Kashmir problem acceptable to both countries, and they said the only way talks could succeed would be to exclude Kashmir from discussions.

If Kashmir is sidestepped, political analysts said, the most that could be hoped for would be a reaffirmation of a 1972 accord signed after the last war. That document, known as the Simla agreement, pledged peaceful solution of problems and temporarily maintained the status quo in Kashmir.

## Ariane to Be Used By Western Union

The Associated Press

**PARIS** — Europe's space program was given a boost Tuesday when the European Space Agency signed a multimillion-dollar contract with an American telecommunications company to launch a satellite, agency officials said.

Western Union's Western VI satellite is scheduled to be sent into orbit by an Ariane-3 rocket at a launching in 1983 at which the space agency will also orbit a satellite for the French National Telecommunications Center.

The two companies will split the \$50-million launching cost for the Ariane rocket, which the space agency has spent \$1 billion to develop during the past decade.

### Swedish Population Gains

The Associated Press

**STOCKHOLM** — The population in Sweden grew this year by only 6,000, the lowest increase in 100 years, the statistics bureau said Tuesday. It estimated the current population at 8,324,000, an increase of 0.07 percent from a year ago.

## Reagan Signs Key Bill on Arms Outlays

The Associated Press

**LOS ANGELES** — President Reagan signed the largest military appropriations bill in history on Tuesday, saying it was "just a beginning" in his campaign to strengthen the nation's military capability.

The president, clearing up a year-end pile of major legislation, also approved a key bill on Social Security.

Mr. Reagan expressed appreciation for the strong bipartisan support in Congress for the military appropriation of \$199.7 billion, which he said would fund for essential strategic programs as well as support of military and civilian personnel in the Defense Department.

In signing the Social Security bill, which maintains minimum Social Security payments at \$122 a month, the president declared his intention to bolster the troubled Social Security system.

The arms appropriation bill provides an increase of more than \$28 billion over the amount appropriated for the Pentagon in the fiscal year ended Sept. 30 — an increase that exceeds the total budgets of many Cabinet agencies and is a big down payment on Mr. Reagan's rearmament program.

### Pipeline Bursts in Mexico

The Associated Press

**MEXICO CITY** — Thirty-two persons received burns when a high-pressure gas pipeline burst open in the state of Tabasco, the state petroleum company Pemex said. It did not explain the cause of the accident, which occurred Monday.

### DIAMONDS



# NYSE Nationwide Trading Closing Prices Dec. 29

Tables include the nationwide prices up to the closing on Wall Street.

## Market Summary

### Dow Jones Averages

Index	High	Low	Open	Close
Dow Jones Industrial Average	2,811.12	2,798.75	2,800.00	2,798.75
Dow Jones Transportation Average	1,111.12	1,100.00	1,100.00	1,100.00
Dow Jones Utility Average	311.12	300.00	300.00	300.00

### Market Indices

Index	High	Low	Open	Close
NYSE Composite	1,111.12	1,100.00	1,100.00	1,100.00
AMEX Composite	111.12	110.00	110.00	110.00

### NYSE Most Active

Symbol	Price	Volume
IBM	111.12	1,111,121
AT&T	101.12	1,011,121
GE	91.12	911,121
AMT	81.12	811,121
W	71.12	711,121

### NYSE Index

Index	High	Low	Open	Close
NYSE Composite	1,111.12	1,100.00	1,100.00	1,100.00

### Standard & Poors Index

Index	High	Low	Open	Close
Standard & Poors 500	1,111.12	1,100.00	1,100.00	1,100.00

### AMEX Most Active

Symbol	Price	Volume
IBM	111.12	1,111,121
AT&T	101.12	1,011,121
GE	91.12	911,121
AMT	81.12	811,121
W	71.12	711,121

### AMEX Stock Index

Index	High	Low	Open	Close
AMEX Composite	111.12	110.00	110.00	110.00

### Odd-Lot Trading in N.Y.

Symbol	Price	Volume
IBM	111.12	1,111,121
AT&T	101.12	1,011,121
GE	91.12	911,121
AMT	81.12	811,121
W	71.12	711,121

### Dow Jones Bond Averages

Index	High	Low	Open	Close
Dow Jones Bond Average	111.12	110.00	110.00	110.00

Symbol	Price	Volume
IBM	111.12	1,111,121
AT&T	101.12	1,011,121
GE	91.12	911,121
AMT	81.12	811,121
W	71.12	711,121
...	...	...

Symbol	Price	Volume
IBM	111.12	1,111,121
AT&T	101.12	1,011,121
GE	91.12	911,121
AMT	81.12	811,121
W	71.12	711,121
...	...	...

Symbol	Price	Volume
IBM	111.12	1,111,121
AT&T	101.12	1,011,121
GE	91.12	911,121
AMT	81.12	811,121
W	71.12	711,121
...	...	...

Symbol	Price	Volume
IBM	111.12	1,111,121
AT&T	101.12	1,011,121
GE	91.12	911,121
AMT	81.12	811,121
W	71.12	711,121
...	...	...

Symbol	Price	Volume
IBM	111.12	1,111,121
AT&T	101.12	1,011,121
GE	91.12	911,121
AMT	81.12	811,121
W	71.12	711,121
...	...	...

Symbol	Price	Volume
IBM	111.12	1,111,121
AT&T	101.12	1,011,121
GE	91.12	911,121
AMT	81.12	811,121
W	71.12	711,121
...	...	...

Symbol	Price	Volume
IBM	111.12	1,111,121
AT&T	101.12	1,011,121
GE	91.12	911,121
AMT	81.12	811,121
W	71.12	711,121
...	...	...

Handwritten note: 12/30/81



# Bleak Figures on U.S. Thrifts Raise Questions on Adequacy of Rescue Effort

By G. Christian Hill

**NEW YORK** — Analyses based on U.S. Federal Home Loan Bank Board data for the first half of 1981, adjusted for the average loss rate expected by regulators for the second half of 1981, indicate that nearly 500 U.S. savings and loan institutions are failing or are losing money so fast their net worth would be expended within 12 months.

One analysis also indicates that an additional 900 savings and loan associations would see their net worth sink below 4 percent of liabilities — the minimum considered healthy by the Federal Savings and Loan Insurance Corp.

The bank board data raise some questions about the ability of the bottom third of the industry to compete over the long haul and of the bank board to bankroll all the mergers that may be needed to get rid of insolvent S&Ls. The previously undisclosed loss rates of failed

thrifts recently merged with financial assistance from the FSLIC indicate that the agency may already have incurred substantial contingent liabilities for years to come.

Most significantly, analysts cite the data as evidence that even one more prolonged surge in interest rates could wipe out the weakest third of the industry. Some giant S&Ls that survived this year might lose most or all of their net worth in any repeat of 1981, some experts contend.

## 'All-Savers' Disappoint

The experts add that the FSLIC, using its own reserves and conventional accounting techniques, would be hard-pressed to cover all the potential losses. They speculate that, in such an event, the FSLIC might be forced for the first time to let many financial institutions operate with negative net worth.

A sharp decline in short-term rates re-

cently has already helped relieve the pressure on the FSLIC, and lower rates are expected to continue as long as the recession lasts. The tax-free "all-savers" certificates authorized by Congress may also reduce money costs for S&Ls eventually, although so far the certificates have proved a disappointment.

But the S&Ls are locked into high rates for at least six months because of the maturities of many of their deposits, and lower interest rates must be sustained for even longer before the industry can again become profitable.

An S&L consultant estimates that it would take a year for the S&L industry to break even if short-term rates averaged a relatively low 10 percent. At 12 percent, the industry will lose \$3 billion in 1982, he predicts. The bank board estimates the S&Ls loss at \$3 billion in second half of 1981, double the \$1.5-billion loss in the first half.

The FSLIC is already hard-pressed to

deal with S&Ls permanently damaged by 1981 losses. Mergers usually generate large losses because, under normal accounting rules, the low-yield loans held by the failed institution have to be written down to market value by an acquiring S&L. In the past, the acquiring S&Ls expected reimbursement from the FSLIC through some sort of guaranteed profit margin, or the FSLIC itself would buy the lowest-yielding loans at face value to defer any immediate loss.

But the loss rates disclosed in the first half financial statements are so high that the FSLIC certainly could not buy all the troubled S&Ls' assets, and analysts doubt that it could continue to guarantee acquiring S&Ls against loss.

The 200 S&Ls that appear to be largely out of debt have assets totaling more than \$35 billion. If their second-half loss rate approaches the industry average, one analyst says, their total 1981 deficits may near \$900 million.

Moreover, the FSLIC may soon have to contend with the 300 or so S&Ls also in danger.

Against these obligations the FSLIC has a reserve fund totaling \$6.8 billion and earning about \$1 billion a year. If it does run out of money, the U.S. Treasury has said it would supply more cash.

**New Interpretations**

However, the FSLIC's reluctance to turn to the Treasury and the vulnerability indicated by analyses of the bank board data explain why the FSLIC is trying to defer the reserve fund's losses, and the S&Ls' losses, as far into the future as possible through controversial new interpretations of accounting rules.

Since September, the bank board has been allowing S&Ls that acquire other thrifts to stretch out the loan losses for as long as 40 years, rather than put the losses on the books immediately. But in-

come from payments on or payoffs of the discounted loans can be taken into earnings over their life, often as little as six to 12 years.

Thus, losses from acquiring insolvent S&Ls disappear and are replaced by significant paper profits for the first few years. Even S&Ls that are not takeover candidates are being allowed to reap similar gains by selling old loans and amortizing the losses over many years but realizing profits from the sale over a few years.

**Inherent Limits**

Brent Beasley, the FSLIC's director, indicated in a recent speech in New York that 90 percent of the agency's problem cases can be eliminated through unassisted mergers, presumably abetted by creative accounting. The rest, he contends, can be handled through assisted mergers, which so far this year have had an average cost to the FSLIC

equal to about 7.5 percent of the failing thrifts' assets. Indeed, he expects the FSLIC reserve fund to continue to grow next year.

However, some S&L experts say the accounting changes only disguise losses. Unless the S&Ls can become significantly profitable in the long run, the deficits deferred in loan sales or mergers will hobble their future earnings and their ability to compete for deposits and loans, these critics suggest.

Other bank board critics reject Mr. Beasley's contentions that 90 percent of the FSLIC's problem cases can be merged without any assistance beyond creative accounting. The first-half financial statements indicate that there may indeed be inherent limits to the accounting strategy. For one thing, the data show that many of the troubled thrifts are in rural or snow-belt markets generally unattractive to possible merger partners.

## BUSINESS NEWS BRIEFS

### Mobil Takes Marathon Fight to Supreme Court

**NEW YORK** — Mobil said Tuesday that it has asked the U.S. Supreme Court to enjoin U.S. Steel from buying Marathon Oil shares while the court reviews the antitrust aspects of Mobil's own bid for Marathon.

Mobil said it requested the high court review in light of an agreement between it and Amerasia Hess, which would avoid any antitrust concerns raised by a U.S. district court in Cleveland. The agreement would allow Amerasia Hess, an East Coast oil company with no business in the Midwest, to acquire Marathon's marketing refining and transportation businesses in the United States.

U.S. Steel and Mobil have made competing bids for Marathon. U.S. Steel is ready to begin buying Marathon shares tendered to it after its offer expires on Jan. 6.

### Fujitsu Plans to Push on Computer Exports

**TOKYO** — Fujitsu said Tuesday that it plans to boost computer exports to about 30 percent of its total computer sales by 1983 from 9.7 percent last year and that is expanding its computer sales abroad to cover part of the cost of the development of new computers.

Sources close to Fujitsu said the company's computer exports in the current business year are likely to total \$6 billion yen (\$262 million), about 13 percent of its total computer sales this year.

They said Fujitsu is expected to increase computer exports by concluding original equipment manufacturer contracts with Britain's International Computers, Siemens of West Germany, Amdahl of the United States and some other foreign computer manufacturers, which will market them under their own brand name through their own sales networks.

### Nissan Expected to Issue Swiss Franc Bond

**TOKYO** — Nissan Motor is expected to issue a 150 million to 200 million five-year Swiss franc convertible bond in Europe and a 60-billion yen unsecured convertible bond in the domestic market probably in February, security house sources said Tuesday.

They said Japan's second biggest automaker is seeking the funds for capital spending both at home and abroad. The company plans to spend about 800 billion yen on capital outlays in the 1981-83 business year periods, of which about 200 billion yen is earmarked for overseas projects including truck production in the United States, the sources said.

### DSM Expects Considerably Higher '81 Profit

**HEERLEN, Netherlands** — DSM, the state-owned chemicals and holding company, said Tuesday that its 1981 profit is expected to be considerably higher than 1980's 25 million guilders (\$10 million).

This was mainly due to improved performance in the first half of the year compared with second half 1980, the board said. The company's first half net profit was 91.2 million guilders against 92.1 million a year earlier.

But the DSM board added it is disappointing that net profit remains far short of a reasonable return on investment, and the group cannot yet draw more benefit from its substantial investments.

### Dillingham Moves to Curb Foreign Ownership

**HONOLULU** — Dillingham directors have changed the company's bylaws to restrict foreign ownership of common stock to no more than 20 percent, the maritime, construction and energy concern said Monday.

Although foreign ownership was currently less than 12 percent, the company said, the action was taken to ensure continued compliance with federal laws governing the company's significant maritime operations.

Under the bylaw change, if the aggregate amount of Dillingham stock owned by aliens reaches 20 percent no further transfers to aliens will be permitted or recognized by the company. In addition, beginning next Monday, no transfer of Dillingham stock will be effected unless the transferee first completes a certificate of citizenship, the company said.

## Crude Oil Reserves in Sudan May Reach 10 Billion Barrels

AP-Dow Jones

**NEW YORK** — Sudan may have as much as 10 billion barrels of crude oil reserves according to Lawrence Funkhouser, vice president of exploration and production, for Standard Oil of California.

If proved, such oil reserves would be enough to alleviate Sudan's financial problems and would move the country to 14th place on a list of countries with oil deposits, ranking just ahead of Indonesia with estimated proved reserves of 9.5 billion barrels and Algeria with 8.2 billion barrels.

Sudan is having trouble making interest payments on loans from Western banks. It has been forced to take domestically unpopular belt-tightening moves, including a currency devaluation and a reduction of subsidies for basic funds, to obtain a \$220-million emergency credit from the International Monetary Fund.

Although major oil discoveries would not be a panacea, they could pump new life into Sudan's moribund economy. The country has already discovered enough oil to justify construction of a 25,000-barrel-a-day refinery to meet its internal needs.

SoCal has leased perhaps the biggest exploration area among the dozen or so Western oil companies currently exploring in Sudan — including Total-Cie, Francolie des Petroles and Phillips Petroleum — and so far it has had the most success, discovering a field in southern Sudan that is estimated to have up to 400 million barrels of oil.

Mr. Funkhouser said Sudan would need at least one billion barrels of proved reserves to become an oil exporter, which would bring in badly needed foreign currency. He notes that the oil discoveries made so far stretch over a wide area of the large country. "And there's a whole bunch of Sudan that nobody's explored yet," he said.

Questions about the size of Sudan's oil reserves probably will be answered soon because government contracts require foreign companies to find oil to justify full-scale production within about four years, or possibly lose claim to their leased exploration areas.

If Sudan became an oil exporter, it is believed it would want to join the Organization of Petroleum Exporting Countries. Oil might also give Sudan more political muscle to use against Col. Muammar Qadhafi, the Libyan leader who has been trying to destabilize regimes in Sudan, Chad and Egypt, all of which border on Libya.

In conversations with U.S. State Department officials about Sudan, Mr. Funkhouser said, "there is an atmosphere of urgency" about the country since the assassination of President Anwar Sadat in Egypt. "We get the feeling that Washington is determined that Sudan not be lost" by the West, he said.

## CURRENCY RATES

Interbank exchange rates for Dec. 29, 1981, excluding bank service charges.

Country	Rate	Country	Rate	Country	Rate	Country	Rate
Australia	1.4750	France	6.5596	Italy	1.3660	Spain	166.6360
Belgium	36.3630	Germany	3.3757	Japan	163.2600	Sweden	13.7603
Canada	1.3225	Greece	336.5400	South Africa	12.7400	Switzerland	7.2030
Denmark	13.4800	Hong Kong	7.7556	Taiwan	13.7600	U.K.	2.4865
Finland	5.9450	India	16.7800	Thailand	5.6560		
France	6.5596	Indonesia	1,678.00	U.S.	1.0000		
Germany	3.3757	Israel	18.3400				
Greece	336.5400	Italy	1.3660				
Hong Kong	7.7556	Japan	163.2600				
India	16.7800	South Africa	12.7400				
Indonesia	1,678.00	Sweden	13.7603				
Israel	18.3400	Switzerland	7.2030				
Italy	1.3660	Taiwan	13.7600				
Japan	163.2600	Thailand	5.6560				
South Africa	12.7400	U.K.	2.4865				
Sweden	13.7603						
Switzerland	7.2030						
Taiwan	13.7600						
Thailand	5.6560						
U.S.	1.0000						
U.K.	2.4865						

## Scot Smelter To Be Closed By U.K. Firm

Reuters

**LONDON** — British Aluminium Co., a subsidiary of Tube Investments, said Tuesday that it will close its 100,000-metric-ton-a-year smelter at Invergordon, Scotland, with the loss of 890 jobs.

The Invergordon plant fell victim to a worldwide slump in the aluminum business, brought on by recession in the major industrial nations. There was a 27-percent drop in the U.K. aluminum market alone this year.

British Aluminium operates two other smelters in Scotland, producing about 50,000 metric tons a year each. A company statement said that Invergordon losses, blamed on high electricity costs, were so large they endangered British Aluminium's other operations. Smelting will cease by Jan. 1 and other operations at Invergordon will be closed over the next few weeks.

## Tube Shares Slip

Richard Charles, British Aluminium's managing director, described the closing as a tragedy for Northeast Scotland. George Younger, Britain's Secretary of State for Scotland, called it a profound disaster for an area where unemployment is near 20 percent.

Tube investment shares were suspended briefly by the London Stock Exchange but resumed trading after the announcement and closed at 118 pence Tuesday, off from last Thursday's close of 116 pence.

Despite production cutbacks, particularly in North America, Japan and Australia, world stocks of aluminum have risen sharply this year, and prices fell to a record low in November. London metal dealers do not expect a recovery in demand before at least mid-1982.

British Aluminium reiterated that it had substantial trading losses in 1981, but said the elimination of the Invergordon losses and termination of a power contract with the North of Scotland Hydro Electric Board will improve overall trading prospects and its financial position.

## Philippines Aims For 6.5% Growth In 5-Year Plan

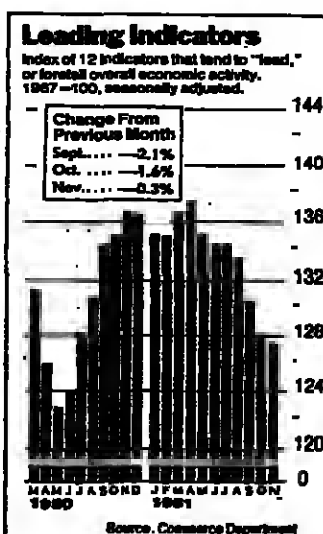
Reuters

**MANILA** — The Philippine government has produced a five-year plan starting in 1983 that calls for 6.5-percent average annual growth in the gross national product.

The document, prepared by the National Economic and Development Authority, said foreign investments will be encouraged under joint-venture arrangements with Philippine partners to "pave the way for a dynamic and more equitable growth process." Economic growth averaged an annual 5.8 percent during the 1978-80 period, with 5 percent expected for 1981 and 6 percent for 1982, the document showed.

The proposals, which will be considered by the national assembly, said there will be increased efforts to secure foreign borrowings at better terms and to make the best use of foreign exchange. Only projects with the highest benefits and subject to the most efficient implementation schedules will have priority.

The debt-service ratio on total foreign debt of about \$15 billion is now put by the government at 19.4 percent and is predicted at 19.7 percent for next year.



## U.S. Indicator Slides Again

From Agency Dispatches

**WASHINGTON** — The U.S. index of leading economic indicators fell for the fourth straight month in November, but the decline slowed to 0.3 percent, the Commerce Department reported Tuesday.

The index, designed to show future trends of the U.S. economy, has fallen in six of the last seven months, but November's decline was the smallest during the period.

The department also revised the decline during October from 1.8 percent to 1.6 percent and during September from 2.2 percent to 2.1 percent.

Despite November's slower decline, analysts said it is still too early to tell when the economy may pull out of its recession. Economists say the overall economy has declined substantially in the current fourth quarter but will fall by a lesser amount in the first quarter of 1982 and then will begin to recover near the middle of the year.

Commerce Secretary Malcolm Baldrige noted that most parts of the index that deal with the industrial sector of the economy continued to weaken in November. He said this suggests further cut in production and selling off of inventories are in store and "some additional rise in unemployment is likely."

But Mr. Baldrige said the fact that the index is falling at a slower rate "indicates that the business downturn may be slowing."

And Murray Weidenbaum, chairman of the President's Council of Economic Advisers, while anticipating "several more months of poor economic statistics," predicted "a vigorous recovery" from the recession next year.

Echoing a speech earlier this month, he said the first signs of recovery should start in the first quarter with growth resuming in the second period, when the economy would grow at a 5 percent annual rate.

Six of 10 components of the index contributed to the fall to 127.8 percent of the index's 1967 base of 100 — 7 percent below its high point in April — with rate of change in "business" total liquid assets being the largest impact, the department said.

A dip in factory orders, a reduction in the average workweek, slower vendor performance, a decline in crude material prices, and a rise in layoffs also pulled the index down. The increase in layoffs to 23 per 1,000 in November was the smallest since the rise in layoffs began in August.

## WEEKLY NOTIFICATION COMPTREND II A MANAGED COMMODITY ACCOUNT

Equity on January 1, 1981: \$100,000.00  
Equity on December 24, 1981: \$241,233.21  
after all charges

For information call or write Royal Fraser, or Ian Somerville, TAPMAN, Trend Analysis and Portfolio Management Inc., Wall Street Plaza, New York, New York 10005, (212) 269-1041, TELEX 881 667 173 UN.  
TAPMAN is a wholly owned subsidiary of Balfour, Maclellan International Ltd.

## New York Stock Prices End Lower

From Agency Dispatches

**NEW YORK** — Prices on the New York Stock Exchange closed lower Tuesday against a background of continued tax-loss selling, a drop in U.S. leading economic indicators, a weakening bond market and news of restrictions on exports to the Soviet Union.

The Dow Jones industrial average closed off about 2.09 point 868.25, declines lead advances 980 to 540 and volume totalled 35 million shares, compared with 28.3 million Monday.

Michael Metz of Oppenheimer & Co. said tax-loss selling is still a potent force in the market, as indicated by the wide margin of declines over advances despite a mild drop in the industrial average.

"The secondary stocks are under enormous pressure from tax-loss selling, while the rest of the market has been doing nothing from the last week," he said.

Lack of movement in interest rates prevented both the bond and stock markets from rallying, Mr. Metz said. The federal funds rate, on overnight loans between banks, has held firm above 12 percent since the beginning of December. Chemical Bank Tuesday raised its broker loan rate to 14 percent from 13 1/2 percent.

Another blow to the market came after President Reagan's announcement late in the day that he would restrict high-technology and oil and natural gas equipment exports to the Soviet Union in retaliation for the Soviet role in the Polish crisis.

After large rises during Novem-

ber and December in the M-IB measure of money, the Fed reported Monday that M-IB dropped \$1.9 billion in the week ended Dec. 16.

That decline, combined with a sharp upward revision of figures back to November, leaves money supply fairly close to market expectations, economists said.

The Fed's concern that an economic rebound and sharply higher federal deficits could clash with the Fed's tight money policies was underlined by the release Monday of the minutes of the November meeting of the Fed's Open Market Committee.

The policy-setting body said its expected decision to maintain a 7-percent short-term growth path for M-IB was "reinforced by the concern that projection of large budget deficits in the years ahead, combined with inflationary sensitivities, could generate anticipations of a reversal of favorable interest rate trends as recovery in activity got under way."

Selected stocks in those industries lost ground, including Zapata, off 1 1/4 to 28 1/2, Halliburton 1 to 52 1/2, Honeywell 1 1/4 to 69 1/2, Xerox 1 to 40 1/2, Motorola 1 1/2 to 56 1/2, Teledyne 3 to 36 1/2, and IBM 1/2 to 56.

Also weaker were several of the oil stocks, including Cities Service

## U.S. Reduced Trade Deficit In November

Reuters

**WASHINGTON** — The U.S. merchandise trade deficit narrowed to a seasonally adjusted \$4.1 billion in November from a \$5.27-billion deficit in October, the Commerce Department said Tuesday.

Imports fell 3.2 percent to \$23.5 billion, while exports rose 0.4 percent to \$19.12 billion. During the first 11 months of the year, the deficit totaled \$38.4 billion, wider than the \$33.3 billion in the comparable 1980 period.

A Commerce Department official said December's deficit will be between \$3 and \$4 billion, pushing the 1981 deficit to around \$41 billion. The deficit for all of 1980 was \$36.4 billion.

The decline in November imports was primarily due to a 3.4-percent drop in imports of manufactured goods. The volume of petroleum imports fell 2.4 percent, while the dollar value of petroleum imports fell 1.6 percent.

The U.S. trade deficit with OPEC countries widened to \$2.55 billion in November after a deficit of \$2.21 billion October. The deficit with Japan narrowed to \$1.62 billion after a \$2.14-billion gap the previous month.

The surplus with Western Europe rose to \$649.7 million in November after a surplus of \$472.8 million in October.



**MARC AUGER**  
**INDIA**

"To try to bring these exotic lands, and the sensibilities of their people, alive from week to week is the challenge of a lifetime."

When the U.S. embassy in Islamabad, Pakistan, was attacked and burned by an angry mob, New Delhi bureau chief Marc Auger was the only journalist present—and TIME readers got a vivid, exclusive firsthand account of the assault and rescue. In addition to India and Pakistan, Auger's beat includes Bangladesh, Afghanistan, Nepal, Bhutan, Sri Lanka and the Republic of Maldives—an area that encompasses nearly one-fourth of the world's peoples. To traverse this desolate and also densely populated

terrain, Auger has used everything from Jeeps to bicycles to camels. She brings to her reporting an exactness honed by years of experience on the news service desk and before that as a TIME researcher, and yet Auger retains a sense of delight about what she does: "From the time I was a small girl," she says, "I wanted to be a foreign correspondent." Dedication, preciseness and flare characterize the correspondent and explain why TIME attracts millions more readers each week.

**TIME.** The news magazine for the internationally minded.











# PEANUTS



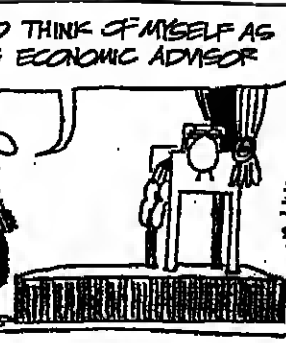
**B.**  
**C.**



# B L O N D I E

B  
E  
E  
T  
L  
E  
  
B  
A  
I  
L  
E  
Y

**ANDY  
TAYLOR**



**T  
E  
A  
L  
O  
F  
D**



# THE



ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

[illegible]

## WHO KILLED KAREN SILKWOOD?

**Summit Books, 1230 Avenue of the Americas, New York, N.Y. 10020.**

Reviewed by John Leonard

**KAREN SILKWOOD** died twice. The first was on her way to the Oklahoma motel where she is believed to present manila envelopes to David Burnham of The New York Times. Burnham was visiting with Silkwood's boyfriend and an official of her union. The manila folder is conjectured to have contained documents and "microphotographs" stolen from the Kerr-McGee nuclear facility near Oklahoma City. Those documents were believed to pertain to violations of safety standards at this Cimarron facility; we are told here that they may also have pertained to the smuggling of plutonium out of the plant. Between 40 and 60 pounds of plutonium were missing from Cimarron — at 10 pounds per atom bomb.

For some reason, Silkwood's car left the highway and slammed into the only concrete wall of the only convenient culvert on a long stretch of flat prairie. The Oklahoma Highway Patrol, the Federal Bureau of Investigation and the Department of Justice blamed Silkwood's misfortune on a single Quaalude. That she had reason to be nervous, that the dents on the rear fender of her car could only have been caused by something metallic, and that she had won trophies at auto racing rallies were facts that didn't seem to carry much weight with authorities. That witnesses had seen her in the company of Department of Justice letterhead on them in the mud and blood, and that these pieces of paper disappeared between the culvert and the garage didn't seem to impress them either.

own biological sandwich. Somebody else had access to her refrigerator.

But who and why? Kohn can't place anything on anybody. He must recognize a lot of radioactive leaks from "love bot" windows and uranium dust in the Cimarron lunchroom; in waste pipes hooked up to drinking fountains in Genoa, Wis.; of workers separated from their heads and hands in lead-lined coffins in Idaho; of dead Navajos in the uranium mines of Nevada; of dead fish and dead cattle in Sheffield, Ill.; of pancreas and bone-marrow cancer in Hanford, Wash.; of leukemia and genetic damage almost everywhere. Isn't it interesting, the author suggests, that scientists engaged in long-term studies of health hazards in and around our nuclear facilities find that their grants are canceled.

He must warn us — before the Three Mile Island "incident," there were "incidents" in Detroit, St. Paul and Rocky Flats, Colo., not to mention the "accidents" around Kyshtym in the southern U.S.S.R. of the Chernobyl and Union or what happened to Britain's Windscale reactor or what goes on at that mysterious Japanese compound into which a plane almost plunged. Welcome to the nuclear waste trench code-named "2-9." Meanwhile, in the Atlantic Ocean, more than 67,000 barrels of nuclear waste are floating in the Pacific, a more than 47,000-barrel dump in the sea.

He is afraid, and so are the many scientists he cites, that at least 8,000 pounds of our plutonium are M.U.F. (material unaccounted for). The author states that safety standards at nu-

**Troublemaker**

Silkwood, after all, had been regarded by some as a troublemaker, a constant complainer and a union spy. Moreover, she had been known to pop a few pills, to smoke some joints and to sleep around. Hadn't she left two children back in Texas with her husband, a man who had been charged by her defenders said the husband became an "ex" by seducing the best friend baby sister. Silkwood, with one good year of college chemistry and seven bad years of common-law marriage, was compromised as well as adulterous. You would have Robert Redford in the movie "Three Days of the Condor" in which, if before he got to the New York Times, Cliff Robertson's helicopter had landed on his head and, according to gossip, Redford was a heroin-dealing chicken.

clear facilities are shockingly low, and that even those standards are not observed in the case for profits. So, the worker is "hot" and the employer is "hot" at one time or another. You must be "cleaned" with Clorox, Tide and an application of potassium permanganate that flakes your skin, the flaking then being removed with sodium bisulfite and a vegetable brush.

"Who Killed Karen Silkwood?" is that kind of "cleansing." It feels like a 19th-century novel. It is full of real-life 20th-century people, flawed heroes and greedy thugs. It desperately tries to tell us that we have a right to privacy to artifice — all those "recreated" conversations in which the principals are permitted to speculate on the C.I.A., Israel, Iran and South Africa — but it is probably the most important book I've read in years.

But no. Silkwood had some friends, as well as an angry father. Most of these friends had known her while

## Best Sellers

**The New York Times**  
This list is based on reports from more than 1,400 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

PICTION		Last Week	Weeks on Chart
THIS WEEK	AN INDICENT OBSESSION, by Colleen McCullough.....		1 10
	2 THE HOTEL NEW HAMPSHIRE, by John Irving.....		2 15
	3 DOUBLE CRUISE, by Stephen King.....		5 34
	4 CUIO, by Stephen King.....		3 20
	5 NO TIME FOR TEARS, by Cynthia Lord.....		4 7
	6 THE FUGITIVE, by Tom Clancy.....		6 6
	7 THE FUGITIVE, by Tom Clancy.....		7 8
	8 THE LEGACY, by Howard Fast.....		9 12
	9 GOKKY PARK, by Marina Carr.....		10 34
	10 MASQUERADE, by Kit Williams.....		8 35
	11 RABBIT IS RICH, by John Updike.....		11 10
	12 BREATH OF LIFE, by Lewis Saville.....		12
	13 THE THREE SISTERS, by Asa Carter.....		12 27
	14 GO SLOWLY, COME BACK QUICKLY, by David Niven.....		1
	15 THE THIRD DEADLY SIN, by Lawrence Sanders.....		15 21

highway, a parcel of perjury and some dumb muscle. According to a jury, Silkwood didn't put plutonium in her

### Solution to Previous Puzzle

CALL ARIOS CHEF  
OSOS NSONS HALL  
PROVENANCE ISLA  
SAT NURSE TATER  
PUL IREWS  
EMOSRS SEATO  
SCARS VANDNLSMS  
TILE SALON CARS  
OILPAINTS SURGE  
SSSSS STRSSE  
LUNCH ORO  
SNATS RATIO VAS  
ACTI FOCALP OINAY  
SLAY ATTIME ROTE  
TELE MADRA FIRM

# BRIDGE

—By Alan Tussman

ON the disgraced deal, South reached a shaky three-no-trump contract. After her partner had overcalled one club with one diamond, South made a cue bid of two clubs and followed with two no-trump.

This bid was highly invitational, and North accepted, hoping that her hand would produce six tricks since West figured to have the diamond king. This was an aggressive decision, but North was an aggressive bidder.

The club queen was led and allowed to win. The next club lead was won with the ace, and the six-ous split was revealed. The obvious possibility now was to play West for both missing diamond honors. But there was a better

chance, with more complicated play. It was very likely that West held the ace-king of hearts and the diamond king as part of her opening bid. But the diamond jack was more likely than

♠AK32  
 ♦K2  
 ♣QJ10836

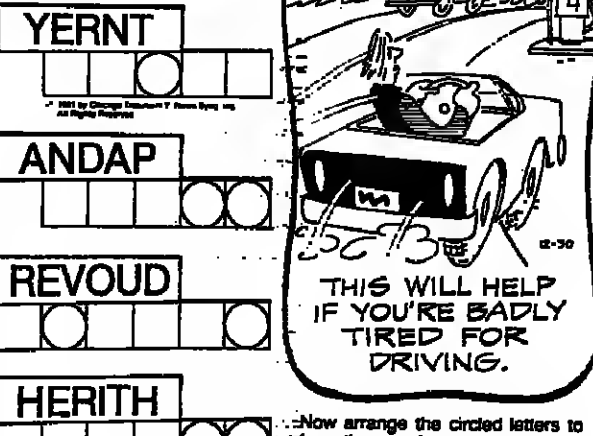
SOUTH  
 ♦KJ104

So South finessed the diamond queen, not the ten, and it won. She now had to guess the diamond distribution, and in view of the club situation, West figured to have two diamonds.

	West	North	East	South
There was a good deal to be said for finessing the spade jack at this point, in order to lead the second round of diamonds from the closed hand. But South did not want to commit herself	1♠	1♠	Pass	2♠
	Pass	2♠	Pass	3N.T.
	Pass	3N.T.	Pass	Pass
	Pass			

# JUMBLE®

Unscramble these four jumbles, one letter to each square, to form four ordinary words.



form the surprise answer, as suggested by the above cartoon.

Print answer here: A 

(Answers tomorrow)

Yesterday's Jumbles: PROVE DOUGH HARROW PIRATE  
Answer: Why they called him the cream of fighters--

Imprimé par P. L. O. - 1, Boulevard Niv. 75018 Paris

## DENNIS THE MENACE



...174-118100 CODED SH ON RUFFS LAP...







